

Herald Tribune

Published With The New York Times and The Washington Post

No. 32,777

28/88

PARIS, WEDNESDAY, JULY 13, 1988

ESTABLISHED 1887

PEOPLE

Menotti Pleads for Aid For His Spoleto Festival

The 31st Festival of the World in the Italian hill town of Spoleto entered its last week with an appeal by its founder, conductor Gian Carlo Menotti, for urgent financial assistance from the government. Menotti, 77, blew out 77 birthday candles last week, urged the Italian government to approve a law that would formalize state funding for the festival. This summer, as in the past, the festival has had to pay for its own bridge loans to pay for the production of 81 productions while waiting for live state subsidies, which are collected so precariously, he said. Menotti said.

Sherry Dorey, 31, who works as an assistant in a law firm, is the mother of the first British-born child to be born in the United States. She is a native of England, but her husband, a doctor, came to the United States in 1974 and she followed him in 1975. She is now a resident of the Hotel 21 East.

The management at the 21 Club is using a computer program to call up the names of its members. Ken Aronson, the club's president, said the program will help him to identify members who are not paying their dues. He said the program will also help him to identify members who are not attending the club's events.

Mstislav Rostropovich, one of the world's top cellists, is unlikely to be allowed to perform in the Soviet Union because of his ties to the West. He is currently in the United States, where he is performing with the New York Philharmonic. He is expected to return to the Soviet Union in the near future.

York, Long Island and Westchester County are looking for a new sheriff. The current sheriff, John J. O'Connell, is retiring. The county board is expected to announce a search for a new sheriff in the next few weeks.

Two U.S. military helicopters were shot down in the northern Gulf of Persia on Tuesday, the Pentagon said. The helicopters were carrying 28 U.S. Marines and 100 U.S. Navy personnel. The Pentagon said the helicopters were shot down by Iranian forces.

The Defense Department said the helicopters were fired on about 15 miles (about 24 kilometers) west of the island and returned the fire with rockets. It was not known if the boats were damaged. The helicopters were investigating a distress call from a Panamanian tanker that had been attacked by small boats.

Mr. Shultz and Mr. Manglapus, in separate statements, spoke in positive terms of the likely completion within a few weeks of the bases arrangement "five year review," which has been under negotiation since April.

Mr. Shultz indicated he had offered the Philippines more compensation for the use of the bases between now and September 1991.

The Global Newspaper Edited and Published in Paris. Printed simultaneously in Paris, London, Zurich, Hong Kong, Singapore, The Hague, Marseille, Miami, Rome, Tokyo.

Greece Seeking Attackers

It Issues Photos And Links Raid On Liner to Trial

PIRAEUS, Greece — The Greek government made public pictures of three men on Tuesday who were said to have been involved in a terrorist attack aboard a Greek cruise ship that left 11 people dead and 98 wounded.

Greek authorities speculated that the attack on Monday was part of a failed attempt by pro-Iranian Arab terrorists to hijack the Greek-owned ship, the City of Poros, carrying foreign tourists on an island-hopping cruise.

There was speculation that the attack was linked to a trial due to start in Greece on Wednesday of a Palestinian wanted in the United States in connection with the bombing of a Pan Am jetliner in 1982.

Government officials said a woman was also involved in the attack on Monday and was photographed on the ship. Her photograph was not made public, but was being distributed to airports, border entry points and harbors around Greece, according to the officials.

The black and white pictures, taken by the ship's photographer, showed three men — one bearded, one mustachioed and one clean-shaven. Authorities said three men hijacked the ship and fired automatic weapons at passengers aboard the 538-ton City of Poros. The police said the assailants fled in a speedboat.

No one has taken responsibility for the assault. At least one passenger said a gunman spoke what sounded like Arabic.

The Greek public order minister, Anastasios Sotiropoulos, said the ship attack was linked to an explosion



Photos made public on Tuesday of three men said to have been involved in the attack on the cruise ship City of Poros, including Mohammed Zozav, left. Tourists, below, leaped into a rescue ship.

U.S. Expels Nicaragua Diplomats

WASHINGTON — President Ronald Reagan said Tuesday he had ordered the expulsion of Ambassador Carlos Tunnerman Bernheim of Nicaragua and seven other representatives of the Sandinista government in response to Managua's ouster the day before of the U.S. envoy and seven of his aides.

And the State Department, reacting to Managua's accusation that U.S. officials had encouraged anti-government protests, said: "The ambassador and the embassy maintain contact with as wide a spectrum of Nicaraguan citizens as possible, including labor groups, the press and the internal political opposition. These activities are the normal duties of U.S. officials overseas."

After hearing of Mr. Reagan's action, a Nicaraguan official said it was unjustified. "Unlike the American personnel in Nicaragua, those expelled from the Nicaraguan Embassy were not engaged in illicit activities," said the chief Foreign Ministry spokesman, Alejandro Bendana.

Marlin Fitzwater, acknowledged Mr. Tunnerman's separate status with the OAS but said he simply would not be ambassador to the United States.

Earlier in the day, Secretary of State George P. Shultz, traveling in the Far East, called Nicaragua's expulsion order an "absolute outrage."

The action Monday occurred hours after the government said it was closing a Roman Catholic radio station. The station was allowed to re-open last year after the signing of the Central American peace accord.

U.S. 'Encouraged Protest'
Stephen Kinser of The New York Times reported earlier from Managua:

In ordering the U.S. ambassador and other American diplomats out of Managua within 72 hours, the foreign minister, Father Miguel D'Escoto Brockmann, said Monday that the U.S. Embassy had been interfering in Nicaraguan affairs by encouraging protests by anti-government groups.

In a letter to Secretary of State Shultz, the foreign minister also cited recent attacks by U.S.-backed guerrillas and said the ambassador, Richard H. Melton, represented "the Reagan government's total disregard of the most elementary norms of international coexistence."

Bentsen of Texas Is Selected To Be Dukakis Running Mate

BOSTON — Governor Michael S. Dukakis of Massachusetts, the likely Democratic nominee for president, named Senator Lloyd Bentsen of Texas on Tuesday as his vice presidential running mate for the fall campaign.

Mr. Dukakis likened himself to John F. Kennedy, who was a Massachusetts senator when he won the White House for the Democrats in 1960 with Lyndon B. Johnson, a Texas senator, on the ticket.

And like the 1960 election, when Republicans nominated an incumbent vice president — Richard Nixon — and were defeated, Mr. Dukakis said: "Jack Kennedy and Lyndon Johnson beat that incumbent Republican vice president in 1960 and Michael Dukakis and Lloyd Bentsen are going to beat them in 1988."

He said Mr. Bentsen, 67, brought to the Democratic ticket "years of experience and a deep commitment to civil rights" that "goes way back to the 1940s." He said Mr. Bentsen, the chairman of the Senate Finance Committee, stood for good jobs at good wages — a central theme of the Dukakis campaign.

The Associated Press
challenge George Bush and his Republican running mate in the Nov. 8 general election. Mr. Bush has not yet selected a running mate.

In selecting Mr. Bentsen, the Massachusetts governor rejected, among others, the Reverend Jesse L. Jackson, his closest challenger in the primary campaign. On Monday night, Mr. Jackson said for the first time that he wanted the job.

But Mr. Jackson said "Tuesday that he was 'too controlled' and 'too mature to be angry.' He said that his name would be voted against Mr. Dukakis in the place for the party nominee at the party convention, but added, 'I no doubt will support the ticket that the convention elects next week.'"

Mr. Bentsen, who received a standing ovation from the crowd in Boston when Mr. Dukakis introduced him, spoke with force and emotion rarely seen in Mr. Dukakis.

"The fact that he's chosen a senator from Texas, a senator from the South, shows that we're going to fight for every state in the union and we're going all out to win," Mr. Bentsen said.

Mr. Dukakis lavishly praised Mr. Bentsen's work in Congress. "He has hit a grand slam home run because as chairman of the Senate Finance Committee he has personally and successfully led the fight for welfare reform, for catastrophic health insurance," he said.

In 1970, Mr. Bentsen defeated Mr. Bush in a run for the Senate from Texas. Mr. Bush said recently that Mr. Bentsen "doesn't worry me," adding that the Republicans

"can carry" Texas even if Mr. Bentsen is on the Democratic ticket.

Lee Atwater, Mr. Bush's campaign manager, said Tuesday that the Democrats had "thrown away the vice presidential selection."

"After all is said and done, they're not going to win Texas," he said in an interview. "People in Texas want a president, not a vice president. And George Bush is the man they want."

Mr. Bentsen is little known outside of Texas. In a national Gallup poll in May, 77 percent of those surveyed said they did not know enough about him to give an opinion of him.

Mr. Bentsen is up for re-election to the Senate in November and, if he chooses, could run for both.



Governor Michael S. Dukakis of Massachusetts, right, with Lloyd Bentsen in Boston on Tuesday after he announced that the senator from Texas, whose work in 18 years in Congress he lavishly praised, would be his vice presidential running mate. B.A. Bentsen, the senator's wife, is at rear.

Bentsen Colors Ticket 'Centrist' A Moderate Southerner Balances Dukakis Liberalism

By Judith Miller
New York Times Service

WASHINGTON — Governor Michael S. Dukakis's selection of Senator Lloyd Bentsen of Texas is not an exercise in political strangeness.

In 1960, a liberal Democrat from Massachusetts reached out to a moderate politician from Texas as his running mate. In the narrowest of election victories, John F. Kennedy and Lyndon B. Johnson beat Richard Nixon and Henry Cabot Lodge. Political wisdom has it that having Mr. Johnson on the ticket delivered Texas and, therefore, the election to the Democrats.

In selecting Mr. Bentsen for the No. 2 slot on his ticket, Mr. Dukakis is attempting to replay that much-celebrated strategy. He hopes to forge a similar coalition of Northeastern liberals and Southern moderates and conservatives.

Mr. Dukakis believes, as did Mr. Kennedy, that to win in November, the Democrats must carry not only New York, California, Illinois and Pennsylvania — where he is running strong — but also Texas, Vice President George Bush's home state.

The selection of Mr. Bentsen reflects more than the imperatives of modern electoral college strategy. It also reveals the substantive and symbolic tactics of the campaign that Mr. Dukakis intends to wage.

Republicans say the choice of Mr. Bentsen was one of elimination. Senator John Glenn of Ohio was too dull; Senator Albert Gore Jr. of Tennessee was too young and had offended the

campaign of the Reverend Jesse L. Jackson. But some Democrats portray the choice as logical, even inevitable. As noted by Bill Schneider, a senior political analyst at the American Enterprise Institute, each time Democrats nominated two liberals — 1968, 1972 and 1984 — those tickets were defeated.

By choosing the moderately conservative Mr. Bentsen and an Eastern-Southern strategy, the Democrats have decided to color their ticket "centrist." Mr. Dukakis hopes to balance his own ostensible liberalism and Northern base with a Southernish politician whose record, if

not truly conservative, is far more moderate than that of his running mate.

Mr. Bentsen clashes in both ideology and style with the Massachusetts governor. True, they both share a keen interest in economic and tax policy, and both have a reputation for being "dealers." But many perceive Mr. Bentsen as the consummate old-guard Southern politician, a "back room" wheeler-dealer. Mr. Dukakis, by contrast, is seen as a new Democratic politician — something of a pragmatist and dealer — but definitely the "front room" variety.

In addition to bringing the ticket ideological and geographic balance, Mr. Bentsen's long service in the Senate enables him to boast of expertise in foreign policy and defense, which Mr. Dukakis lacks.

As a symbol, the choice represents a gesture to the Southern, traditional wing of the party, which has been feeling ignored and somewhat miffed by Mr. Dukakis's primary triumph. So much energy has gone into the care and feeding of the Jackson wing of the party that only lately did Democratic analysts begin to notice that

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Kiosk

U.S. Craft Fire At 2 Iran Boats

WASHINGTON (Reuters) — Two U.S. military helicopters exchanged fire with two small boats believed to be Iranian craft near Iran's Farsi Island in the northern Gulf on Tuesday, the Pentagon said.

The Defense Department said the helicopters were fired on about 15 miles (about 24 kilometers) west of the island and returned the fire with rockets. It was not known if the boats were damaged. The helicopters were investigating a distress call from a Panamanian tanker that had been attacked by small boats.

Dow Jones	
Down	The Dollar
18.67	1.8558
	DM 1.6998
	Yen 132.375
	FF 6.1866

To Our Readers
Due to technical problems, closing U.S. stock prices are not available in this edition. Stock tables contain 2 P.M. (New York) information. We regret the inconvenience.

U.S., Manila Progress in Bases Talks

MANILA — Secretary of State George P. Shultz and Foreign Minister Kaul Manglapus of the Philippines said Tuesday that they have made major strides in negotiations about the short-term future of the two strategic U.S. military bases here, with both sides holding out hope for full agreement around the end of this month.

Mr. Shultz and Mr. Manglapus, in separate statements, spoke in positive terms of the likely completion within a few weeks of the bases arrangement "five year review," which has been under negotiation since April.

However, no breakthrough was on the horizon to facilitate the more complex, important and contentious negotiations to come later over the long-term future of Clark Air Base and Subic Bay Naval Base, which are considered by the Pentagon to be among the most important in the world.

Mr. Shultz indicated he had offered the Philippines more compensation for the use of the bases between now and September 1991.



Pope Receives Briefing on Kremlin Meeting

Nikolai M. Lmkov, the Soviet ambassador to Rome, met Pope John Paul II in a private audience in the Vatican Tuesday to outline the recent Communist Party conference in Moscow, the first time a Soviet envoy has received such a papal audience to discuss the political affairs of the Soviet Union.

Getting Ahead in China: First a Quiz Only Whiz Kids Pass

By Edward A. Gargan
New York Times Service

BEIJING — A bell rang. Then, like coal rumbling down a tin chute, the slap of sandals and scuffle of sneakers grew to a low roar and the school's doors banged open, spewing out a torrent of teen-agers with faces furrowed in worry.

Sun Xiaoguo popped out of the stream of students and ran her left hand through her pageboy haircut. "I think I have a lot of problems," she said, "a lot of problems."

Young people were hunkered down at classroom desks last week to take the national college admissions test. One in four will succeed.

Du Ming, the deputy director of Beijing's Office for Higher Education Admissions, said the city has already determined that 16,144 students, a shade more than a third of those who attempt the exam, will be given places in universities.

"Beijing, because it is a city, is different from the countryside," Mr. Du said. "The teachers and methods are better here so more will pass here than in rural parts."

For China's high school students, these three days are the days that will determine their future. Passage also means admission to opportunity. Of the country's children who start first grade, perhaps 2 percent will attend college.

A college education, at the worst, means life behind a desk in some obscure government office. At its best, it can mean a chance to do advanced research, to teach at a major university, to help run new enterprises, to rise through the party and government bureaucracy, to travel abroad.

Young people are permitted to retake the exam each year until they reach the age of 25. Most who fail the first time try once or twice more, Mr. Du said.

Over three days, for two and a half hours in the morning and again in the afternoon, the students struggled with seven subjects, from Chinese to mathematics, politics to foreign languages.

Those who aspire to careers in the sciences and engineering are tested in their areas, and in chemistry, biology, and physics; those lured by the

humanities are required to take examinations in history and geography.

A passage from the "Shiji," by the second-century B.C. historian Sima Qian, tested knowledge of classical prose.

Stylistic problems in ninth-century Tang poetry rattled memories, and a famous line from one of China's 20th-century writers, its phrases jumbled, could be unraveled only by those who could read the complexities of meaning, not just the surfaces of words.

Then students were asked to write an essay, no more than 600 words, on the subject of *ziguang*, or habits. There were no clues, no hints at what to pen, just the word "habits." Many students froze.

China's ideological colors formed the core of the test on politics.

"What," the students were asked, "did comrade Deng Xiaoping say about preserving political stability?" Mr. Deng, China's senior leader, shared the exam page with Zhao Ziyang, the party's general secretary, as well as recent moments in the history of the Communist Party.

Students needed to know the nature of "national monopoly capitalism," the difference between concrete and abstract labor and how to explain the phrase, "Gold and silver naturally are not money, but currency is naturally gold and silver."

Every student had to sit for a foreign language exam, in English, French, German, Japanese, Spanish or Russian. The tongue of choice, according to Mr. Du, was English.

"There are no perfect scores," Mr. Du said. "It's all too hard for that."

Various advertisements including 'People', 'Employment', 'Secretarial Positions', '2 Financial Management Secretaries', and 'Fashion Assistant'.

Legislature In Armenian Area Votes To Secede

By Felicity Barringer
New York Times Service

MOSCOW — In a brazen symbolic move that is likely to further inflame a five-month territorial dispute, the ruling legislature of a predominantly Armenian enclave voted Tuesday to secede from Azerbaijan, the republic that has ruled it for the last 64 years.

A staff member of the newspaper Sovetskiy Karabakh confirmed the vote by the legislature of Nagorno-Karabakh, the region at the heart of the dispute, adding that it was unanimous. It was not clear from his confirmation, however, whether the members of the Communist Party regional leadership had participated.

The Communist Party leader in the region, Genrikh Andreyevich Pogoyan, was said to be in Moscow for meetings on the issue Tuesday.

A large crowd meeting in Yerevan Tuesday was told that the Nagorno-Karabakh legislature had also voted to rename the area by an ancient Armenian name, Artsakh.

Tuesday's action was taken by the same body whose February vote to request reunion with the nearby Republic of Armenia animated mass demonstrations and strikes in the Armenian capital of Yerevan and Nagorno-Karabakh's capital of Stepanakert.

The area's request to redraw internal Soviet boundaries and transfer a region that has great economic and emotional appeal for both Azerbaijanis and Armenians was rebuffed by the Soviet Union's national legislature in March, but the conflict has continued to simmer.

The legal significance of the secession vote was unclear Tuesday, but the change in tone could hardly have been sharper. "They, they made a request," said a Moscow-based dissident, Sergei Grigoryants. "Now, they've just made up their minds to do it."

The Soviet Constitution allows every subdivision of the Soviet state the right to self-determination, but also guarantees the ruling bodies of the 15 constituent republics the right of approval over any territorial change affecting them.



The Soviet leader, Mikhail S. Gorbachev, and his wife, Raisa, strolling Tuesday near a house in Poland where Lenin once lived.

Poland Gives Gorbachev a Crowd

Washington Post Service

KRAKOW, Poland — Polish authorities sealed off the historic market square of Krakow for eight hours on Tuesday, removed its normal inhabitants and inserted a crowd of some 1,500 Soviet policemen and party workers so that Mikhail S. Gorbachev could conduct his first outdoor "walkabout" in a Polish city.

The strict observation of the Soviet leader's visit to St. Mary's Church and walk through the surrounding market hall and cobbled square illustrated the highly conservative style that has emerged as the most striking feature of Mr. Gorbachev's tour of Poland this week.

In the second day of the six-day visit, Mr. Gorbachev made no substantive statements to his carefully selected Polish audiences. Instead, accompanied by the Polish leader, General Wojciech Jaruzelski, and a

host of high officials, he shuttled between elaborately scripted events that evoked the political atmosphere of Stalinism more than his own commitment to openness.

After flying to Krakow on Tuesday morning, Mr. Gorbachev was driven to the town of Bialy Dunajec in the Tatra Mountains near Poland's southern border to visit a rustic wooden house where Lenin lived in 1913 and 1914.

On Tuesday night, he attended an assembly of Polish and Soviet youth at Wawel Castle in Krakow, where he delivered a brief address and then watched a program crowned by the performance of a Polish song that praises his rule.

The most striking event of the day, however, was his 30-minute appearance in the center of Krakow's Old Town and the huge security operation that surrounded it, designed to insure that Mr. Gorbachev would not meet with any Pole not chosen by the secret police and the party.

The large square, normally thronged with shoppers, students and tourists, was empty when Mr. Gorbachev arrived except for a group of reporters, hundreds of scowling plainclothes security men and selected party members, each of whom had been issued a blue and white button allowing passage through police lines.

Residents of the square's stylized town houses said that even they had had to obtain special permits from the authorities in order to leave their homes.

The scene sharply contrasted with the spontaneous, open character of the strolls for which Mr. Gorbachev has become known in trips to both Western and other Eastern capitals. In past visits to Budapest, Prague, and even tightly controlled Bucharest, the Soviet leader has ventured into crowded shopping streets and allowed thousands of citizens to see him and speak to him.

The imposition of tight security in Krakow appeared to reflect fears by Polish authorities that any appearance by Mr. Gorbachev open to the general public would lead to embarrassing demonstrations by the well-organized political opposition in Poland. During a visit to Krakow by Pope John Paul II a year ago, young protesters with opposition banners flocked to an outdoor mass and later battled with policemen in the streets.

At the same time, the conservative approach seemed to work against an effort by General Jaruzelski's government to show that it

Bentsen, Texan Bearing Votes

By Fred Farris
International Herald Tribune

WASHINGTON — Silver-haired, courtly, conservative-turned-moderate, Senator Lloyd Bentsen of Texas has been mentioned before as a possible running mate for two Democratic presidential candidates, Jimmy Carter and Walter F. Mondale. He was not chosen.

This time he was as Governor Michael S. Dukakis of Massachusetts, needing to bolster the 1988 Democratic ticket in the South and to counter Republican characterizations of him as a "flaming liberal," picked the 67-year-old Texan to be his vice presidential candidate.

The political importance of the choice was shown by a Texas poll conducted in May. In the poll, Mr. Bentsen was the only prospective Dukakis running mate that significantly helped the anticipated Democratic nominee in Texas, a state with 29 electoral votes, the third-largest share after California and New York.

In the poll, Vice President George Bush, the likely Republican nominee, led Mr. Dukakis by 7 percentage points. But with Mr. Bentsen on the ticket, the difference was only 2 percentage points. With the Reverend Jesse L. Jackson on the ticket, Mr. Bush led by 19 percentage points.

But aside from his political potential, Mr. Bentsen, a three-term senator and former businessman who is chairman of the Senate Finance Committee, is knowledgeable about matters of government finance. Many political and financial experts expect such issues as the budget, taxes, inflation and other fiscal problems to haunt any administration that succeeds President Ronald Reagan in January.

Senator Bentsen has a reputation among both Democrats and Republicans as a committee chairman who gets things done and who is skilled at consensus-building.

But abroad, particularly in Japan, he is feared as a trade "protectionist" who would create barriers to imports to protect U.S. industry. At a time when the U.S. trade deficit was rising, he told an interviewer: "To argue this trade situation isn't harming our manufacturing base is like arguing up is down." He added that it was "ridiculous to argue that huge trade deficits have not been harmful to the United States."

In 1985, he originally sponsored a trade bill amendment, supported by Richard A. Gephardt, Democrat of Missouri, that would have mandated retaliation against countries having large trade surpluses with the United States that were gained through unfair trading practices. But he later withdrew his support for the amendment, which eventually was rejected.

The Texas senator was among the first to recognize the enormity of U.S. trade problems. He realized, however, that although many were caused by U.S. industry, it was still necessary to attack unfair trade practices of other countries, both for the practices themselves and for what they did to the U.S. trade deficit. He also realized that legislating sensible trade reforms was politically impossible as long as foreign countries were harming the United States with discriminatory or unfair trade policies.

Mr. Bentsen is trusted in the Senate, which is crucial to his deal-making abilities. Because the vice president presides over the Senate, Mr. Bentsen's credentials in Capitol Hill would be enormously helpful to a Dukakis administration.

A congressional aide said of Mr. Bentsen: "He is not only a charter member of the club, he is one of the leaders. The reason is, people trust him."

Another said that in his two-year chairmanship of the Finance Committee, "Bentsen in a short time did a hell of a lot with a very unruly Senate."

A third Capitol Hill insider said: "Bentsen is the one guy in the Senate who has presidential and he acts presidential."

He also is a doer, having compiled a record of major legislation not many senators can claim: a major trade bill, major health care reform, catastrophic health insurance.

Like Lyndon B. Johnson, a Texan who moved from Senate leadership to the vice presidency under President John F. Kennedy, Mr. Bentsen is said to listen to everyone before attempting to find a solution. Moreover, "he keeps his deals," said a political insider.

In early 1987, Mr. Bentsen's record was marred by his formation of a "Chairman's Council" of lobbyists who agreed to pay \$10,000 each to have breakfast with him once a month. But calling the idea a mistake, Mr. Bentsen disbanded the "breakfast club" after only one meeting. The \$10,000 contributions were to go to the senator's 1988 re-election campaign.

On aid to the Nicaraguan rebels, Mr. Bentsen's past votes lean closer to the Reagan administration viewpoint than to the position of Mr. Dukakis, which is to end all U.S. aid.

After initially supporting the U.S. role in the Vietnam War, Mr. Bentsen gradually opposed it, and later became a prime sponsor of the War Powers Act, which gives Congress a larger part in deciding whether the United States should become involved in armed conflicts.

The son of a wealthy rancher in the Rio Grande valley, Mr. Bentsen, after serving three terms as a U.S. congressman, made a fortune in the insurance business before running for the Senate in 1970. He soundly defeated Mr. Bush in that race.

CHOICE: Dukakis Vote Strategy

(Continued from Page 1)

the other Jackson wing of the party — the conservative Democrats who supported the late Henry M. Jackson of Washington — were once again in danger of defecting to the Republicans, as they did for Ronald Reagan.

Although Mr. Bentsen is not as conservative as many of the most hawkish Democrats would like, the choice reflects an effort to ally their concerns and include them in the party's agenda.

Mr. Bentsen is a Texan and therefore not strictly a Southerner. But the real Southern alternative, Senator Sam Nunn of Georgia, was unacceptable and unaccepting. Mr. Nunn's conservatism had bred too many enemies, notably among blacks, women and homosexuals. Mr. Jackson already had signaled his opposition to Mr. Nunn on the ticket.

This is the biggest risk for Mr. Dukakis: the selection of Mr. Bentsen is no acknowledgment at all of Mr. Jackson's movement. And despite Mr. Dukakis's kind words about Mr. Jackson and his importance to the party, actions speak louder than rhetoric.

Finally, Democrats argue, Mr. Bentsen controls a vast "get out the vote" machine throughout Texas. Moreover, he can claim to have been down this track before: In 1970, he won the Senate seat he now holds by defeating a Texas Republican congressman named George Bush.

How do the Republicans feel about the choice? "Unfortunately," said a Republican colleague in the Senate, "they've made a good choice."

But Mr. Bush's campaign aides disagree. One top aide said the Democrats had "wasted" their vice

presidential slot. Mr. Bentsen's bland, patrician manner will weigh down the ticket, not enliven it, they contend. Mr. Bentsen, Bush aides predicted, will not only fail to carry the South, he will fail to carry Texas.

BENTSEN: Texan Is Picked

(Continued from Page 1)

choices — an arrangement made legal in Texas in 1959 to permit Mr. Johnson to run two races.

Mr. Bentsen was chosen over six others who were being considered by the Dukakis campaign: Mr. Jackson, Senator John Glenn of Ohio, Albert Gore Jr. of Tennessee, Senator Bob Graham of Florida, Representative Richard A. Gephardt of Missouri and Representative Lee H. Hamilton of Indiana.

The choice of Mr. Bentsen drew praise from fellow Democrats.

"The Massachusetts-Texas combination got this country moving again in 1960 — and it will do the same for the nation in 1988," said Senator Edward M. Kennedy of Massachusetts.

Senator Paul Simon of Illinois, whose hopes for the party's presidential nomination were dashed earlier this year, agreed that Mr. Bentsen could help the ticket in Texas and said he thought the senator might help the Democrats carry Oklahoma and Louisiana as well.

Governor Bill Clinton of Arkansas, who will deliver the nominating speech for Mr. Dukakis at the convention, said he also believed that Mr. Bentsen would help the Democrats throughout the South.

SHIP: Greece, Seeking Attackers, Issues Photos and Links Raid to a Trial

(Continued from Page 1)

earlier Monday that killed two men in a rental car near the Trocadero Marina, home marina for the City of Paris.

"We theorize they were going to seize the ship together with the people who died in the car explosion, maybe to force the freeing of the Palestinian on trial" a government official said.

Despite repeated questioning by Greek reporters, the minister declined to give any more details other than the names of two Lebanese men "being sought as involved in this attack."

He identified them as Hamoud Abdul Hamid, 36, of Lebanon, who rented the car, and Mohammed Zozad, 21, thought to be one of the

terrorists on the ship. The minister said both had been in Greece since May.

A Piraeus harbor authority officer said he believed the attack was staged by two men and two women who boarded the cruise ship after it stopped at the island of Aegina.

He said survivors had recognized Mr. Zozad in the picture as well as a young woman in another photograph taken aboard the ship. He did not say if a picture was taken of the other woman or if the picture of the other man was the same as that issued by Greek officials.

Rescuers pulled a body from the Aegean on Tuesday, and a second was found on the cruise ship. Nine bodies were recovered earlier, and

officials said the casualty count was expected to keep rising.

The ship attack occurred at 8:40 A.M., six hours after the explosive-packed car blew up near the Trocadero Marina, the police said.

The police said they found an Iranian magazine in the wrecked car. They said the vehicle contained hand grenades and automatic weapons.

Passengers scurried for cover and leaped into the sea when the gunmen hurled grenades and sprayed gunfire at the tourists on the 208-foot-long (63-meter-long) vessel. The grenade blasts started a fire, and a deck collapsed aboard the ship.

Although the harbor authority reported that some bodies might not have been recovered, a Merchant Marine Ministry spokesman said all 471 passengers and 22 crew members had been accounted for on Tuesday.

The ministry said that 28 of the 98 originally reported as wounded remained hospitalized.

The authorities made public the names of only two of the dead —

WORLD BRIEFS

Riots Break Out in Northern Ireland

BELFAST (Reuters) — Sporadic rioting erupted across Northern Ireland on Tuesday as Protestants celebrated a victory three centuries ago over Roman Catholics.

The police said security forces fired plastic bullets to disperse youths who threw stones, gasoline bombs and stun grenades. Several arrests were made but an exact figure was not given. "All in all, taken in context, it was a relatively quiet night," a police spokesman said.

Firefighters battled more than 100 bonfires, the traditional symbol of the Protestant celebrations, which had blazed out of control. Protestants in Northern Ireland annually celebrate July 12, the Battle of the Boyne, in which William of Orange, a Protestant, defeated James II of England, a Catholic, in 1690.

Israel Denies TV Report on Agents

JERUSALEM (AP) — Israel denied on Tuesday reports by a U.S. television network, ABC, that Israeli security agents had impersonated one of its news crews to deceive and arrest a Palestinian.

An aide to Prime Minister Yitzhak Shamir, Avi Pazner, said Israeli officials had investigated and "found no evidence that Israeli security personnel impersonated ABC News persons in arresting a Palestinian Arab" in June.

Dean Reynolds, ABC's correspondent in Israel, said Monday: "ABC stands by its story. The facts were corroborated by informed Israeli sources." The network reported that Nizar Dalkouk, a resident of Salfit, a village in the West Bank, was arrested by Israeli civilians posing as ABC News personnel. The network also said it had learned that "the impostors" were members of the Israeli secret security service Shin Bet.

Egypt Denies Sending Force to Mecca

CAIRO (Reuters) — Egypt denied on Tuesday it had sent troops to Saudi Arabia to reinforce security during the year's hajj to Mecca. Regional Arab diplomats had said that about 1,000 Egyptian troops had arrived in Saudi Arabia to reinforce security during this year's hajj.

"There is absolutely no truth in a report by a foreign news agency today, that Egyptian soldiers traveled to Saudi Arabia to participate in keeping peace and security during the hajj season," Interior Minister Zaki Ab Badr said.

In a statement reported by the Middle East News Agency, Mr. Badr said Islamic and Arab countries trusted the ability of Saudi security forces to provide security during the pilgrimage from the middle of this month. Quoting Arab diplomats, Reuters reported from Bahrain that about 1,000 Egyptian troops had arrived in Saudi Arabia to reinforce security and at least 5,000 Egyptian state security forces were expected in the country.

Sikh Leader Shot by Police in Punjab

AMRITSAR, India (UPI) — Police in northern Punjab shot dead on Tuesday a senior Sikh militant leader who was a former police officer, wanted for killing at least 40 people and for staging India's largest bank robbery, police said.

The director general of the Punjab police, K.P.S. Gill, said Lakh Singh was killed during a gun battle before dawn near Tanda, 55 miles (90 kilometers) east of the Sikh holy city of Amritsar.

Authorities had placed a reward of 100,000 rupees (\$7,700) on the head of the self-styled general of the "Khalistan Commando Force," one of several militant groups fighting to create in Punjab the Sikh nation of Khalistan. Violence related to this campaign has killed nearly 1,800 people this year.

South Africa Suspends Hanging of 6

JOHANNESBURG (AP) — The scheduled hanging of six blacks from Sharpeville has been indefinitely suspended, Justice Minister Kobie Coetsee announced Tuesday.

He said the six blacks convicted of the murder of a black town councillor would be allowed to exhaust every legal remedy. The six faced the possibility of execution any time after next Tuesday.

Government leaders from around the world have appealed to President P.W. Botha to grant clemency to the five men and one woman, convicted on the principle of "common purpose" because they were part of a crowd that killed Kizwayo Dlamini in September 1984.

Vendors Boycott New York Streets

NEW YORK (AP) — New Yorkers scanned the streets in vain for hot dogs, shish kebabs and ice cream as Mayor Edward I. Koch began enforcing a five-year-old ban on food vendors on crowded city sidewalks.

A special police unit took to the streets Monday to see that licensed vendors followed the ordinance, which limits the time and location that food pushcarts may operate. But many peddlers had already pulled their stands off the sidewalks in protest, and they planned to demonstrate at City Hall.

"Demonstrations will have no impact on us. None at all," said the mayor. "I wouldn't care if they came with 20,000 stands." He admitted the action was designed to persuade the city council to pass a new law that would allow six vendors, chosen by lottery, to work each prime street block.

U.S. Says Arms Talks Must Continue

GENEVA (Reuters) — The U.S. arms negotiator, Max M. Kampelman, said on Tuesday that intensive efforts to conclude a strategic arms reduction treaty with the Soviet Union would continue whatever the outcome of the U.S. presidential election.

"I don't think important issues should be governed by a calendar," Mr. Kampelman said reporters shortly before the formal opening of a new round of arms talks. "We want to move ahead on it because it's important for the world." The Strategic Arms Reduction Talks, or START, were adjourned in late May for the Moscow summit meeting between President Ronald Reagan and the Soviet leader, Mikhail S. Gorbachev.

Mr. Kampelman said at a news conference on Monday that despite numerous disagreements with Moscow it was still possible to agree on a treaty by the time Mr. Reagan leaves office in January.

TRAVEL UPDATE

The longest traffic jams of the year are expected this weekend in West Germany, according to a West German automobile club, the Allgemeiner Deutscher Automobil Club. The club attributed the impending jams to a wave of vacationers heading south and suggested that motorists postpone a leaving until Sunday, Monday or Tuesday.

Heavy transport was at a standstill on Australia's busiest highway near Canberra on Tuesday as nearly 1,000 trucks became involved in a blockade protesting big increases in registration fees.

A Pan Am flight carrying 182 passengers from London to Detroit made an emergency landing in Iceland on Tuesday, 45 minutes after one of its two engines had to be shut down, aviation officials said. No one was reported injured.

BASES: U.S. and Manila Progress

(Continued from Page 1)

which is the period of time under discussion in the short term review.

He would not be specific, but hinted that part of the arrangement involves more support for the Philippine military, which is fighting a nationwide Communist insurgency. The United States currently provides \$180 million annually in connection with the bases, but the Philippines is unofficially reported to be asking an increase to \$1.2 billion yearly.

A Philippine official close to the talks said, "Manglapus offered Shultz a compromise and Shultz was amenable." The Philippine foreign minister said that his discussions with Mr. Shultz "led to our regarding as conducive to our achieving the goal we've been aiming at all this time, of ending the talks and accomplishing an agreement within the next few weeks."

Mr. Manglapus said last week in Bangkok that possible restrictions on U.S. operational uses of the bases and on the presence of nuclear weapons, in addition to compensation questions, would have to be resolved before completing the review.

Senator Rene Saguisag, who is personally close to President Corason C. Aquino and who was her first presidential spokesman, spoke up for ending the base arrangements as he left the meeting with Mr. Shultz.

"At some point we just have to stand on our own two feet, we have to grow out of our adolescence," said Senator Saguisag. "This business of terminating the Military Bases Agreement will just complete the process that was begun 40 years ago" with Philippine independence from the United States.

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Sporadic rioting erupted across Northern Ireland...

TV Report on Agents
Israel denied on Tuesday reports by a television news...

...Sending Force to Mecca
Egypt denied on Tuesday it had sent a security force...

Shot by Police in Punjab
Police in northern Punjab shot a militant leader who was...

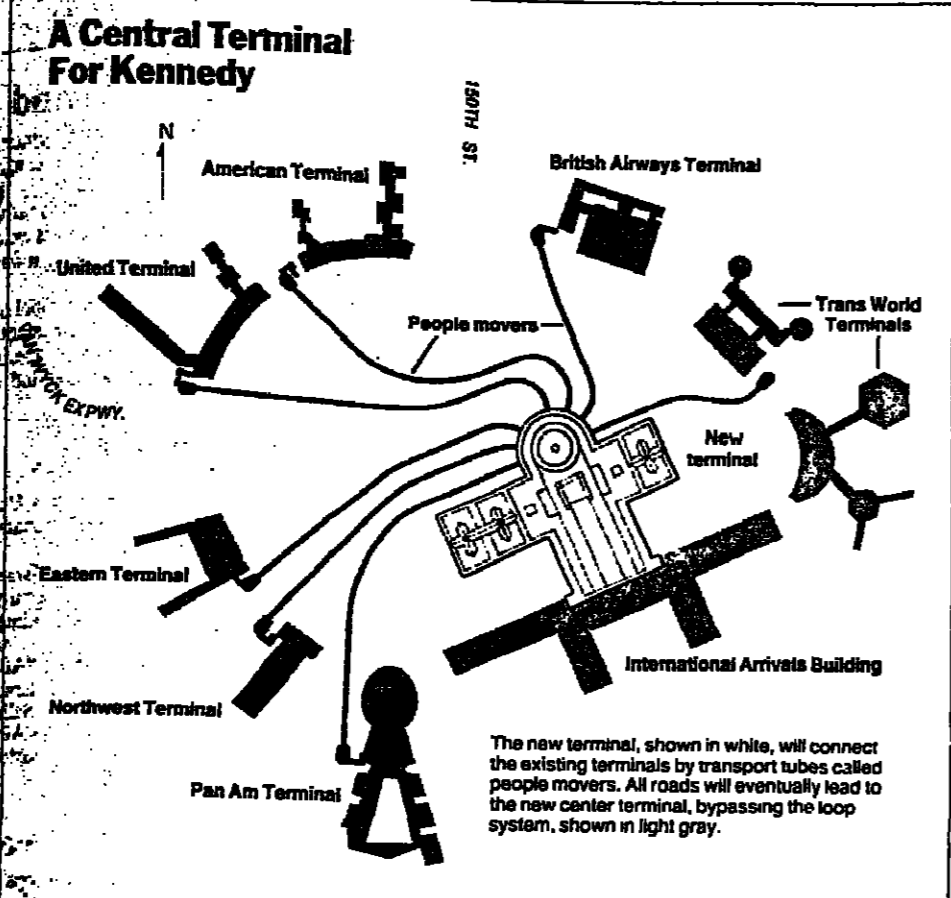
...a Suspects Hanging off
The scheduled hanging of 10 suspected militants...

...New York Streets
New Yorkers scented the summer with ice cream as Mayor...

Arms Talks Must Continue
The U.S. arms negotiator said that intensive efforts to...

TRAVEL UPDATE
The joys of the year are expected this week...

U.S. and Manila Prop
No shuttle in the near future...



AMERICAN TOPICS

\$2.7 Billion Plan To End JFK Gridlock

Built a generation ago for 15 million passengers a year, New York's John F. Kennedy International Airport is expected to be twice that many this year...

Short Takes

Ralph Nader, the consumer advocate, charges that the American Automobile Association, the largest U.S. motorist's group...

Bonn Bars Curbs On NATO Flying

BONN — Defense Minister Rupert Scholz of West Germany ruled out Tuesday a ban on low-level NATO training flights...

Thornburgh, Ex-Governor, Nominated to Succeed Meese

WASHINGTON — President Ronald Reagan announced Tuesday he would nominate former Pennsylvania Governor Richard L. Thornburgh, a one-time prosecutor with a reputation for staying cool under fire...

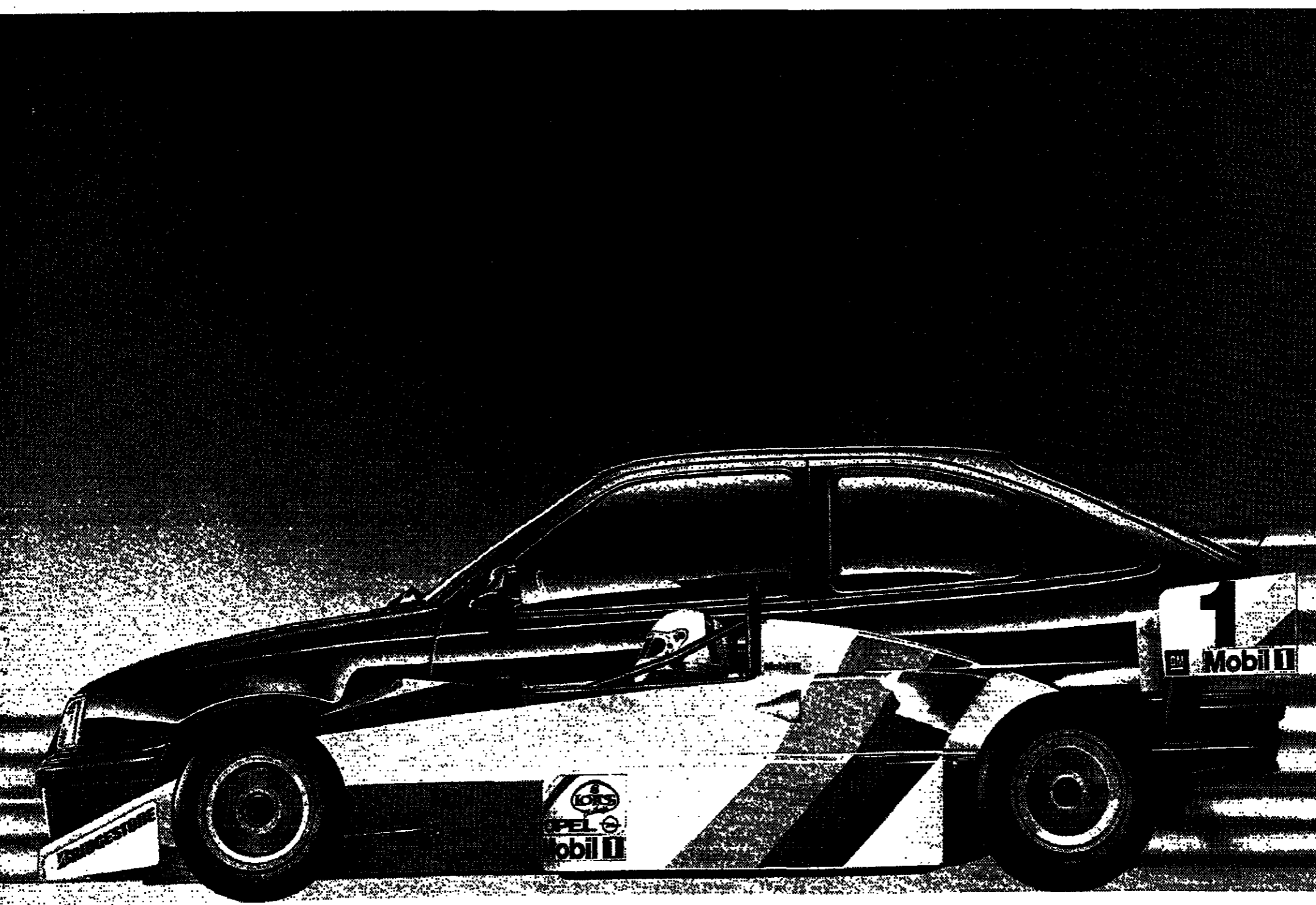


Richard L. Thornburgh, nominee for U.S. attorney general.

After Review, U.S. Will Pay \$1 Billion on 9 Naval Contracts

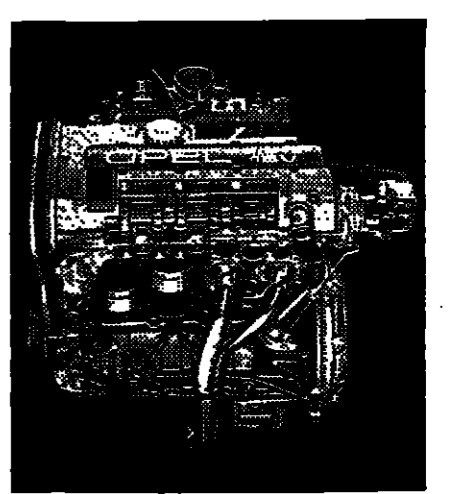
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Mexico's Hotly Disputed Election: The Dawning of a New Political Era

By William Branigin
Washington Post Service

MEXICO CITY — Although still struggling to make his early victory claim seem credible to the Mexican people, the ruling party's presidential candidate, Carlos Salinas de Gortari, appears already to be succeeding in his stated goal of fundamentally changing the country's outdated political system.

Since the hotly disputed and still officially unresolved elections last week, the one thing that political

nas himself have now acknowledged that this country's days of virtual one-party rule are over.

So far, this momentous change toward greater political pluralism and genuine competitiveness appears to be taking place in a nonviolent climate. According to a cabinet minister, Mr. Salinas wants the government to be especially careful these days to avoid provoking a violent turn in the various protests taking place around the country.

Mr. Salinas shows signs of starting to make good on his pledges to change Mexico and the very political machine charged with sweeping him to power, although not enough to suit many opponents upset about the lopsided returns in favor of the PRI that are filtering in from the countryside.

Mr. Salinas, 40, a technocrat, has already introduced a sort of Mexican-style glasnost by admitting big losses in state-level presidential voting and congressional races. Yet, given popular mistrust of the government, he appears to face an uphill battle at the start to convince Mexicans that he did not actually lose the nationwide popular vote, Mexican analysts say.

Moreover, they say, his eventual administration is likely to feel pressure to adopt more progressive policies to placate a resurgent left, led by Cuauhtémoc Cárdenas, who is running second in the semi-official vote tallies made public so far. The other leading opposition candidate in the presidential election, Manuel Clouthier, a conservative, conceded Monday that he had been defeated.

The pressure may prove to be an advantage in negotiating with foreign banks to reduce Mexico's onerous debt-service burden, a senior government official said. Mr. Salinas has warned that Mexico will not be able to service its \$106 billion foreign debt if it cannot grow economically, and he now can cite new domestic political realities to back a tougher negotiating position, the official said.

Mr. Cárdenas, who has taken over from the conservative National Action Party as the leading opposition force in the country, has complicated Mr. Salinas's quest for a credible election by publicly claiming his own victory in the presidential voting. And, unless he backs down, many in this nation of 80 million people are likely to believe him, analysts say.

"People have programmed themselves not to believe anything about a government triumph," said Adrián Lajous, author of several books on the Mexican presidency. "Most people convinced themselves beforehand that the PRI was going to steal the election."

Such views have only been reinforced by the slowness of the gov-



Manuel Clouthier

ernment — stunned by disastrous early returns against the PRI — to give out information about the election results, Mr. Lajous said.

Nearly a week after the voting, a declared on the basis of official final returns from the Federal Electoral Commission, which is still dribbling out partial results.

The PRI administration of President Miguel de la Madrid, who inherited a nearly bankrupt, heavily indebted economy, has presided over six years of economic austerity and near-zero growth, burdensome debt-service payments and runaway inflation that reached 159 percent last year.

Mr. Salinas, a Harvard-educated economist, served five years as planning and budget secretary under Mr. de la Madrid before he was selected as the PRI presidential nominee.

The de la Madrid administration and its state governments have also angered many Mexicans by engaging in lavish campaign spending and, in previous regional elections, blatant vote fraud. One perhaps inadvertent implication of the election results now being issued is that the vote total for Mr. de la Madrid in his 1982 presidential victory was grossly inflated.

Although the turnout on July 6 was acknowledged to have been heavier than on election day in 1982, far fewer votes are being recorded than six years ago.

EC Grants Aid to Ethiopia

The Associated Press

BRUSSELS — The European Community granted \$8.4 million in emergency humanitarian aid to Ethiopia on Monday. The EC Commission said it had decided to send the money after Lorenzo Natali, commissioner for cooperation and development, visited Ethiopia last month.

Taipei Eases Ban on Visits And Imports From China

By Susan Chira
New York Times Service

TAIPEI — Taiwan opened the door to China wider Tuesday when its ruling party adopted new guidelines allowing Taiwanese businessmen to make indirect investments in China and permitting some Chinese citizens to visit Taiwan for the first time.

In the last several months, Taiwan has gradually eased its tough restrictions on contact with China, allowing people to visit their close relatives on the mainland, send mail, read some books published there, and watch some movies filmed in China. Yet Taiwanese have been clamoring for more, and have been closely following the governing Nationalist Party's deliberations on mainland China policy during its first national convention in seven years.

Friday's recommendations were deliberately vague, so that the extent of the changes in policy depends on how liberally officials will interpret the new guidelines. Nor did they satisfy several party liberals, who pushed for more sweeping changes. In drawing them up, the party had to balance its official line of no contact with China against the reality that such contacts are rapidly increasing.

Nonetheless, the guidelines considerably expanded the informal economic and social ties now allowed with a country long considered Taiwan's deadliest enemy.

Taiwan would now permit — under unspecified conditions and after government screening — visits back and forth to Taiwan and China of both Taiwanese and Chinese journalists, intellectuals, students, artists, entertainers, and cultural figures. Until now, Taiwan has banned visits from citizens of China. Taiwan journalists, who have been eager to report about China, have been able to do so officially only if they can produce relatives in China. Several have filed dispatches while visiting relatives, and one magazine this month printed a special issue on China.

The policy changes also recognize officially for the first time the swelling trade and investment ties with mainland China — a key demand of Taiwan businessmen. The party now plans to allow imports of certain raw materials through third countries.

Furthermore, ruling party officials said, Taiwan is giving the nod to an already flourishing network of indirect investments by Taiwanese businessmen in Chinese factories through subsidiaries based in Hong Kong.

Legislators Resist Paying Iran Families

The Associated Press

WASHINGTON — President Ronald Reagan's decision to pay families of the 290 people killed in the U.S. downing of an Iranian airliner met fresh resistance Tuesday on Capitol Hill, with some lawmakers saying the gesture was premature and politically touchy.

"The United States of America is not guilty of anything" except protecting the lives of U.S. sailors, Representative Gerald B. Solomon, Republican of New York, said on an NBC television program.

He contended that the Iranian government deliberately provoked the U.S. cruiser Vincennes into firing on the jetliner, and said, "I don't think there's any question this was a provoked attack."

Meanwhile, a United Nations Security Council debate on the U.S. missile attack on the passenger jet has been postponed until Thursday, officials said.

The 15-member Security Council was preparing to consider on Tuesday an Iranian declaration condemning the United States for shooting down the plane July 3. The United States, Britain and France are expected to use their veto power as permanent council members to stop any censure resolution or any demand that the U.S. fleet leave the Gulf.

Sources said that Iran had been unable to gain a council majority to condemn the downing of the plane and that it would present a statement, to be followed by a debate, without submitting a resolution.

Senator John S. McCain 3d, Republican of Arizona, concurred with Mr. Solomon on the compensation issue.

"It's too early," he said on an ABC television program, adding that "many serious questions" needed to be resolved before legislators contemplated compensation.

"We should also expect some progress on the hostage situation," he said, referring to American hostages in Lebanon. "I don't see why there's this rush to judgment."

Their comments echoed those of other members of Congress, who said after the announcement Monday that the distinction may be largely lost on the U.S. electorate, which harbors long-simmering resentment of Iran stemming from the seizure of the U.S. Embassy in 1979, from its alleged sponsorship of international terrorism and from the continued holding of Americans in Lebanon.

Mr. Reagan's request "has some problems," added Representative Tony Coelho, Democrat of California. He said he opposed the idea.

"I don't understand why they're trying to move it along," he said.

But John H. Chafee, Republican of Rhode Island, appearing with Mr. Solomon, responded that compensating the families of the victims is "the fair and the just and the right thing to do."

"We're not admitting any guilt," he added.

Senator Christopher J. Dodd, Democrat of Connecticut, said Mr. Reagan's offer "distinguishes us from others." He added that it was "the sign of a compassionate and strong nation."

The disagreement spread even to two persons who had been taken hostage in Iran in 1979.

Appearing on a CBS television program, one former hostage, Mor-

said he agreed with Mr. Reagan.

"This is a clear case where we have a humanitarian obligation to offer compensation to the victims," he said.

The chief White House spokesman, Marlin Fitzwater, said in the announcement Monday that Mr. Reagan was motivated by humanitarian concerns and was acting out of charity rather than obligation. He made it clear that payments

also would be made to the families of the U.S. hostages in Lebanon, who apparently are held by radical elements with ties to Iran.

But Representative Jim Wright, Democrat of Texas and speaker of the House, said that that would amount to ransoming the hostages.

Mr. Fitzwater added: "I don't think there are very many congressmen who want it to appear we're doing business with Iran over the hostages."

Ozal Calls for U.S. and Iran to Yield

By Jim Hoagland
Washington Post Service

ISTANBUL — Prime Minister Turgut Ozal of Turkey has called on the United States and Iran to turn the aftermath of the destruction of an Iran Air Airbus into an opportunity to end their confrontation in the Gulf.

Mr. Ozal, leader of one of the few countries that have strong ties to both the United States and Iran, said in an interview Tuesday that the Airbus incident had illustrated that the United States "should now disengage slowly from the Gulf."

"The continuous American presence increases the problems in the Gulf," he said.

The mutual criticism of the U.S. role in the Gulf from a NATO ally was coupled with a proposal by Mr. Ozal for negotiating through the United Nations a series of international and regional guarantees to assure freedom of navigation in the Gulf, one of the primary reasons Washington says it must keep 30 or more warships in the area.

"I see more possibility of reaching a peace after this big tragedy," said Mr. Ozal, who praised the U.S. decision to pay compensation to the families of the Iranian and other victims of the July 3 downing of Iran Air Flight 655.

"The United States should be ready now to push both sides" to end the Iran-Iraq war, he said.

Mr. Ozal, who was nicked on the thumb by a bullet during an assassination attempt in June, spoke in English as he responded to questions for 70 minutes in a suite at the Turkish Army's officer club in Istanbul. He appeared relaxed and showed no effects of the attack.

Referring to the frequent contacts he has had with the leaders of both Iran and Iraq, he confirmed that Turkey had received signals from Iran in recent months that Tehran wanted to engage the United States in a new dialogue. He indicated that he thought these signals would be renewed if the passions roused by the Airbus incident can be controlled.

He portrayed Iran, which has steadily been pushed off of Iraqi territory in recent months, as weary and prepared to accept the kind of peace settlement that Tehran rejected when it held the upper hand militarily.

"The Iraqis have the advantage now," he said. "They should not make the same mistake that the Iraqis did, when they asked for too much. A continuation of this war is a big danger for the whole area."

Speaking for the first time in detail about a proposal he has been shaping for an end to the tanker

war in the Gulf, Mr. Ozal said the United Nations secretary-general should bring Iran and Iraq together to work out guarantees against attacks on neutral shipping in the Gulf.

He emphasized his view that Iran was ready now to provide such guarantees, and by implication suggested that the United States should push Iraq to reciprocate.

But in any case, he said, the large U.S. naval presence was only heightening tensions in the region and should be gradually withdrawn. Arrangements to keep a modest U.S. force in the Gulf could then be negotiated with the Gulf Arab nations.

Mr. Ozal also spoke at length and with warmth about the efforts he and the Greek prime minister, Andreas Papandrou, have undertaken this year to improve relations between their two nations, which have nearly gone to war three times in the last 35 years.

He said that a tense confrontation in March 1987 over conflicting claims to mining rights in the Aegean Sea had persuaded Mr. Papandrou and him separately that they had to start a dialogue. In June Mr. Ozal became the first Turkish prime minister to visit Greece in 36 years, and Mr. Papandrou is expected in Turkey in the autumn.

Baghdad Reports Iranians Ousted From Southeast

The Associated Press

BAHGDAD — Iraqi forces pushed Iran's army Tuesday out of the last major pockets of Iraqi territory it held along the southern border, the Baghdad radio said.

Iran said its planes bombed Iraqi positions in the southern Zubaidat region of Iraq, but did not say the Iraqi forces had regained control of the area. Iran also announced its forces were pulling back from positions in Iraq's northern mountains.

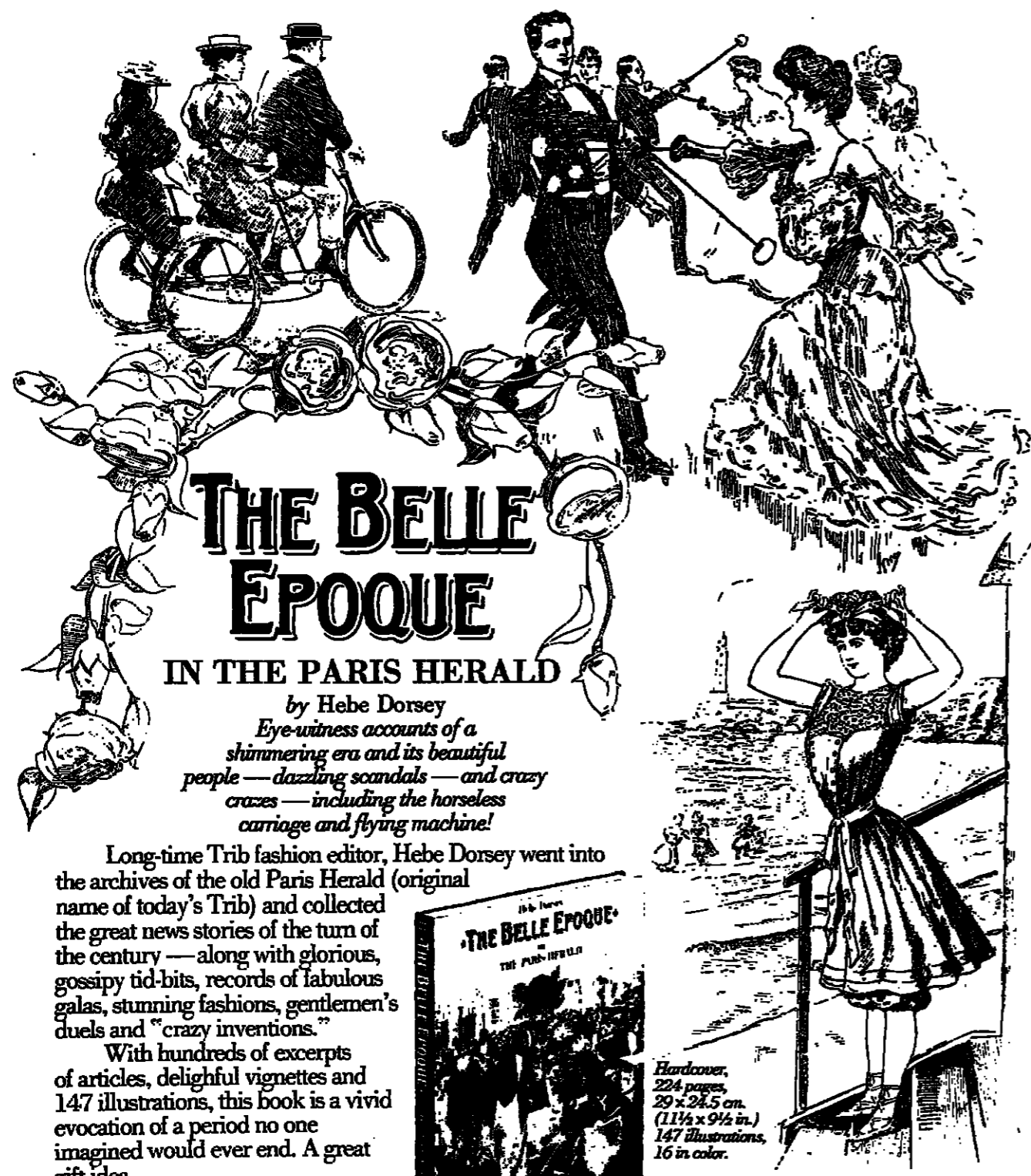
Iraq's presidential guards spearheaded the offensive to retake a chunk of land in the region along the border with Iran, according to war communiques broadcast by Iraqi radio.

The offensive began just after dawn and the Zubaidat area was captured by late morning, according to the radio.

Iraq's Islamic Republic News Agency, monitored in Nicosia, said Iranian planes heavily bombed Iraqi positions in five missions over the Zubaidat region.

IRNA also said Iranian troops had retreated from the town of Halabja in northeastern Iraq to new "defensive positions." The retreat was designed to "maintain more secure approaches," the report said, adding that "to make advances and retreats in the course of war was a natural phenomenon."

In Baghdad, there was no official confirmation of an assault on Halabja, but military sources said an attack has been expected for weeks.



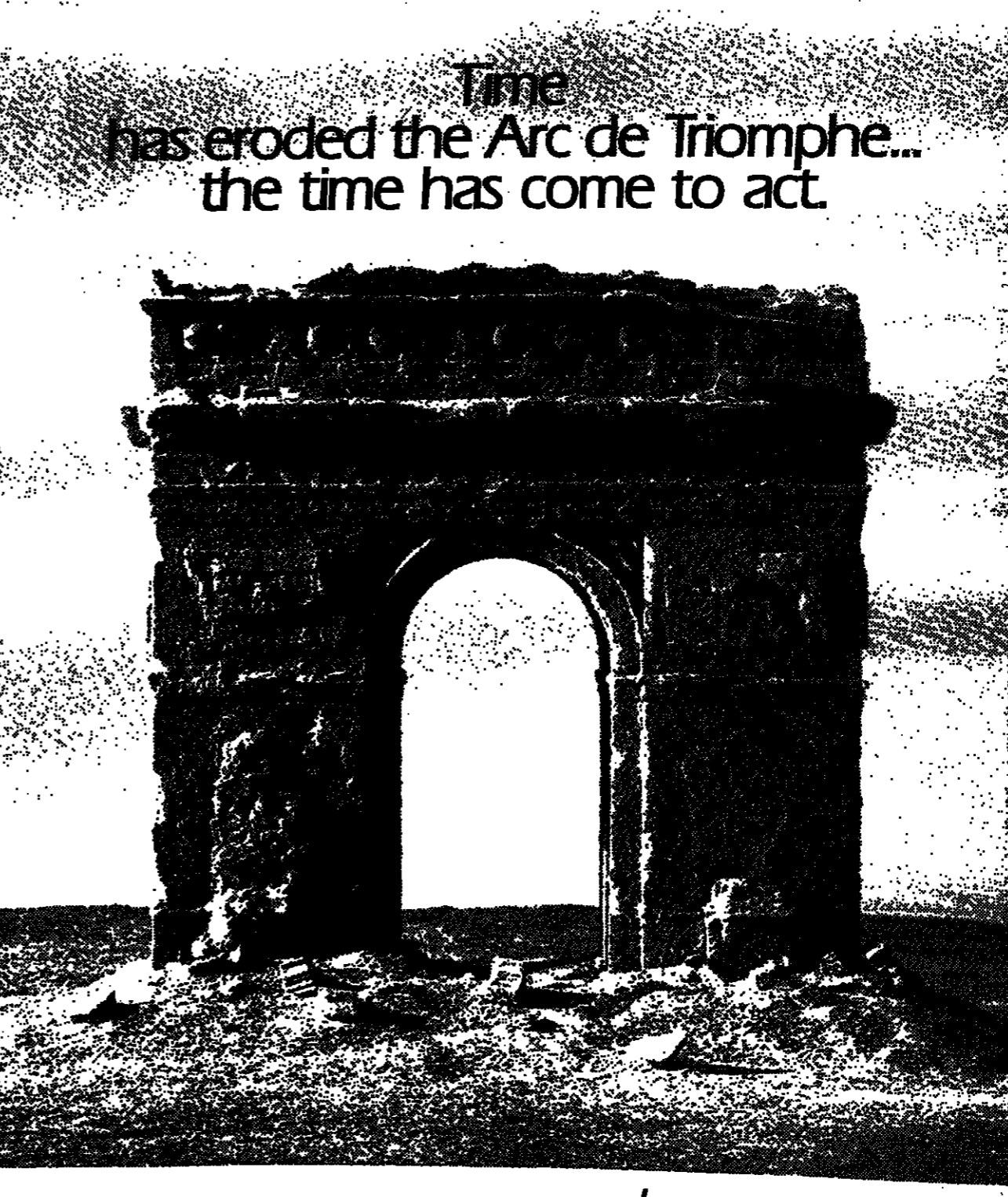
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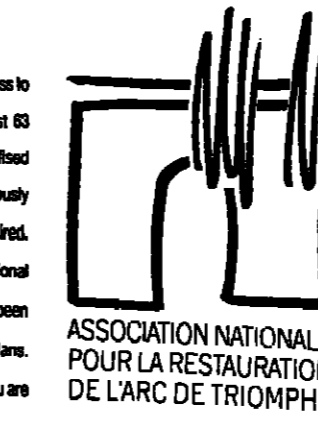
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For over a century and a half, the Arc de Triomphe has been a witness to the great moments of French history. And every day, for the past 63 years, the sacred flame which burns beneath the arch, has symbolized the continuity of France. Today, this unparalleled monument is seriously threatened by the erosion of time and restoration is urgently required. The time has come to act! Alongside the French government, a National Association* for the Restoration of the Arc de Triomphe has been founded. It needs the help of all who love France, of all who love Paris. The Association is recognized by the Fondation de France and if you are

liable to French taxes, your contribution can be deducted from your taxable income within the limit of 5%. The name of each contributor will be inscribed in the Golden Book which will be preserved at the Arc itself. Each contributor will also receive a Certificate of Recognition. Please send your gift to: Association Nationale pour la Restauration de l'Arc de Triomphe - B.P. 303-08 - 75385 Paris Cedex 08. Make cheques payable to: Fondation de France - Arc de Triomphe.



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Iran to Yield

war in the Gulf, Mr. Qazi... United Nations secretary... should bring Iran and Iraq... work out guarantees... to work on neutral shipping... of Gulf.

Triomphe... to act.



Method College/The Associated Press

3 Inmates Held After Helicopter Prison Escape in U.S.

A U.S. Customs Service helicopter flying over Albuquerque, New Mexico, in pursuit of a helicopter picked up three inmates at the Penitentiary of New Mexico near Santa Fe. The inmates were captured after leaving the helicopter at a small airport in Los Lunas, 18 miles south of Albuquerque. The smoke was billowing from a gasoline tanker that had exploded in an unrelated incident.

With Frequently Murderous Results, 'Juju' Magic Still Grips West Africa

By Blaine Harden Washington Post Service MONROVIA, Liberia — Behind the murder of the two little boys... the longing of a small-town... to be elected mayor.

In Liberia, juju and ritual murder coexist with Christianity.

every county in this country," said Marcus Jones, the Monrovia prosecutor in the murder trial. "In most areas, the cases do not come to light." In sentencing the convicted men to hang, Judge George S.B. Tulay said that "the funniest and most serious aspect" of the case was the defendants' persistent claim to be Christians.

Angola War: Pretoria's Plans Go Awry

By Bernard E. Trainor New York Times Service WINDHOEK, South-West Africa — South Africa's military strategy in Angola appears to have backfired, placing the Pretoria government in an uncomfortable bargaining position in the latest round of talks on the Angolan conflict.

NEWS ANALYSIS

southern Africa challenged by the Cuban forces allied with the Angolan government. Some South Africans say they fear that the Cubans now have the military advantage along the border between Angola and South-West Africa, the South African-administered territory also known as Namibia.

Promotion of Smoking Under Attack in Nigeria

New York Times Service LAGOS — Nigeria will ban cigarette advertising and smoking in public buildings by the end of 1988, Health Minister Olikoye Ransome-Kuti said.

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ARTS/LEISURE

Photographer in the Crucible of Revolution



Wu's portrait of Deng Xiaoping in 1941.

By C.G. Cupic
International Herald Tribune
ARLES, France — For eight years Wu Yinxian was the sole photographic chronicler for the Chinese Red Army in its stronghold in Yanan.

ning nobody knew him. It was easy to stop him and ask him for a picture, or to go to his home and take pictures there. All the leaders were then very easy to photograph. I was the only photographer. I was the Camera Photographer, Photographer Wu with all my equipment. I was a very well known figure in Yanan.

were very badly paid in those days, especially Chinese teachers in Shanghai, where dogs and Chinese were treated on the same level by the foreigners.

only were his speeches well written but they were also well delivered. The people watched him use his hands to make a point. He would do it with his arms, hands, and fingers in a way that looked as if they spoke themselves. He spoke with his whole body.



Wu Yinxian at the photo festival in Arles.

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'Bambi' Turns 46 and Disney Goes Dizzy

By Aijean Harmetz
New York Times Service
LOS ANGELES — The trendiest party in Hollywood this summer served strawberry pancakes and coloring books instead of champagne and gossip.

Since "The Great Mouse Detective" in June 1986, Disney has accompanied each of its new and reissued animated films with a party whose basic appeal is to people less than 46 inches tall.



Bambi's \$50,000 party was for the under-6 crowd.

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ARTS / LEISURE

Scenery Is Star Of Glass-Lessing Planet 8' Opera

By Joseph McLellan
HOUSTON — You've heard about the musical that was so bad, people went home whistling the scenery? That might almost be "The Making of the Representative for Planet 8," an opera by Doris Lessing and Philip Glass given its world premiere by the Houston Grand Opera.

It will probably do well at the box-office. Glass is a hot composer, and at Friday's opening the audience applauded wildly. But "Planet 8" reveals the built-in weaknesses of Glass' minimalist style — weaknesses that may not spoil its popularity but will bar it from the highest levels of art. The libretto has its own shortcomings — it is wordy and sometimes awkward — but the music does not even match the words. The most effective part of the performance here was the staging by Minoru Terada, the director, and Eiko Ishioka, the designer.

Glass' music may be reaching that special status of being more satisfying to talk about than to hear. The subjects of "Planet 8" include the structures of reality, human identity, and survival beyond death. But ultimately these issues are conceptualized in philosophic, not artistic, terms. It is the old science fiction problem of the idea of a hero — abstract discussion coming to the rescue when objective, concrete symbolic embodiment of the subject proves ineffective.

At the beginning of this science fiction morality tale, Planet 8 is a primitive paradise, populated by noble savages who have kept their Stone Age charm although technologists from Canopus have recently introduced them to science, industry and new ideas. But they may be on the verge of a collective identity crisis. "The old among us tell of a different time," the heroine Alsi complains to Johor, the Canopus agent. "They did not know of fire or cooking flesh. They believe that we are worse by far than they." She is particularly upset by what she has seen in the microscope: "Our flesh is nothing... We are empty spaces where the cosmic wind whistles through a frame of stony nothing."

But that is not their worst problem. As the opera proceeds, Planet 8 is gradually engulfed by a glacier, until it ends up looking like Antarctica, its population dead. This makes moot the question of primitive bliss versus technology-induced anxiety and raises instead the issue of survival after death, to which Lessing supplies a pantheistic sort of answer: "We [the spirits of the dead] went floating onwards, free and light, and when we looked back for orientation at the carcasses we had inhabited, we saw only that we were among throngs of the most marvelous, intricate structures and shapes."

This is not exactly your average luff riot, but it is a golden opportunity — fully exploited — for virtuoso visual effects, particularly some striking projections. Besides bizarrards and vast snowscapes, these include objects whizzing through space, stampedes of the planet's avrochs-like fauna, and the building of a massive wall in a futile effort to hold back the encroaching ice. A major gee-whiz moment is the landing of a giant humanoid, robot-shaped space vehicle amid a cascade of stroboscopic flashes.

Lessing's novel on which the opera is based is a short book that manages to feel like a long one. She had to lighten and simplify the text considerably for her libretto, and she did that fairly well at first. But as the story progresses, the ice that grips the planet also clamps down on her style; the text becomes wordy and prosy, the human interest drains away into quasi-philosophical concepts, and the people of Planet 8 become abstractions.

The music is not much help. Glass works his way out of tight, repetitious patterns into an occasional rudimentary melody, but he cannot put much life into it. His minimalism, like the more relaxed, amorphous New Age music, functions best as a sort of acoustical wallpaper, perhaps as a psychological massage. It can be pleasant, relaxing, even hypnotic, but it cannot match the syntax of classical tonality in its ability to convey strong personal emotion—particularly complex or rapidly changing emotion.

The music offers only minimal opportunities for singers, but the performance (well conducted by John DeMain) was generally acceptably sung, though the chorus often seemed to have marbles in its mouth. Jason Alexander and Louise Edelen, given some lyric opportunities, used them well. Harlan Foss and Timothy Breesee, with more workmanlike assignments, did workmanlike jobs.

After its seven performances here, "Planet 8" will be produced by three other companies that co-commissioned it: the English National Opera in London, the Amsterdam Music Theater and the opera in Kiel, West Germany. It is the second of three Glass operas having premieres this year. The first was "The Fall of the House of Usher" in May by the American Repertory Theater; the third, "1,000 Airplanes on the Roof," will have its world premiere in Vienna this week and its U.S. premiere in Philadelphia in September.



Brian Cox (left) in title role of "Titus Andronicus" in scene with Peter Polycarpou as Aaron.

Brian Cox: Wrecked Majesty Reigns in 'Titus Andronicus'

By Sheridan Morley

LONDON — Writing from Stratford a year ago, I said that Deborah Warner's RSC revival there of "Titus Andronicus" was the best thing to have happened by the Avon for a long time. There is no need to alter that verdict as the production moves into the Barbican Pit for the London summer.

Out of a melodrama steeped in blood and butchery and near-laughable cannibalism, she has carved a tragedy of terrible power, and in the title

THE LONDON STAGE

role Brian Cox gives a performance of wrecked majesty that has to qualify him for the next great Lear while being recognized as the major dramatic achievement of the classical season.

Seldom revived since the classic Olivier production by Peter Brook in 1956, this bloodbath of retribution and revenge looks even more chilling in the subterranean studio close-up of the Pit than it appeared on the broader stage of the Swan.

Though it runs close to four stifling hours, there is seldom a moment when the production loses energy or pace as it races to the final appalling human banquet. Warner has stripped the scene of its dangerous hilarity by having Andronicus's attendants whistle while they go about their work.

Estelle Kohler plays Tamora as the original dragon-empress, Donald Sumpter is moving as the brother trying to bring some kind of sanity amid

the carnage, and Sonia Ritter is heartbreaking as the handless, tongueless, ravished Lavinia.

It is true that Peter Polycarpou's Aaron lacks the Moorish majesty of Anthony Quayle in that role 30 years ago, but in every other respect this is a production to bring some much-needed confidence and distinction back to the currently troubled heart of the Royal Shakespeare Company.

Once in a while, a show opens in the West End of such breathtaking awfulness and inadequacy that you begin to have serious doubts about London's claim to be the theater capital of the known world. One such is "Exclusive Yarns" by Gary Lyons and Stewart Permutt, now to be found, though not, I would guess, for long, at the Comedy Theatre.

This seems to have started life as a 20-minute revue sketch at a lunchtime fringe address, and must even there and then have seemed desperately overlong. Padded up to two hours, it resembles at best a nonmusical version of "La Cage aux Folles" rewritten by a couple of funeral directors on a bad morning.

Regardless of the fact that Victoria Wood and others on television have already done every possible joke about the lunacies of soap operas, "Exclusive Yarns" relentlessly tries to parody one and then examine the lives of a group of men in drag gathering to act out its highlights. Some old vaudeville jokes are dragged with increasing desperation out of a closet where they should, like the characters, have been left to die of their own senility.

One of Germany's contributions to uniting the nations.



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Wu Xiaxian at the photo festival in Beijing

Wu Xiaxian at the photo festival in Beijing

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Bambi's \$50,000 part was for the under-6 crowd

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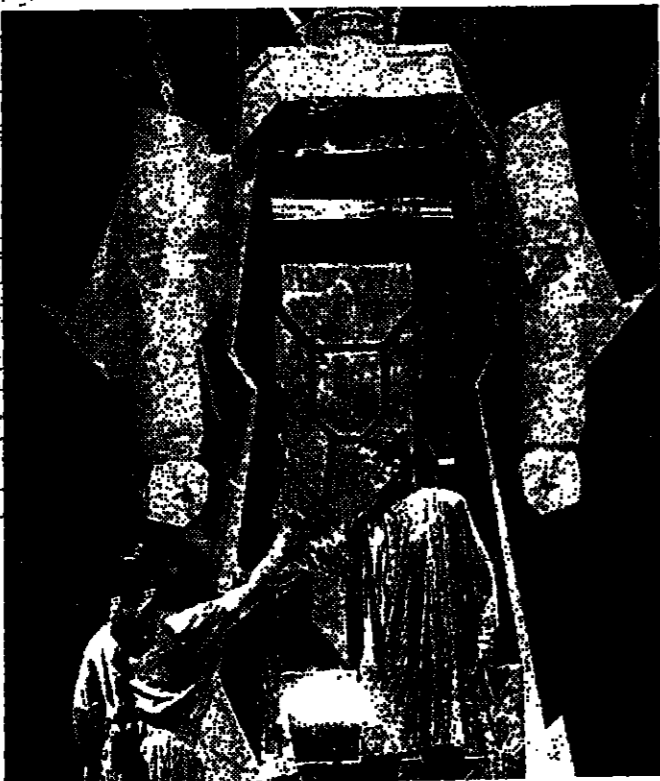
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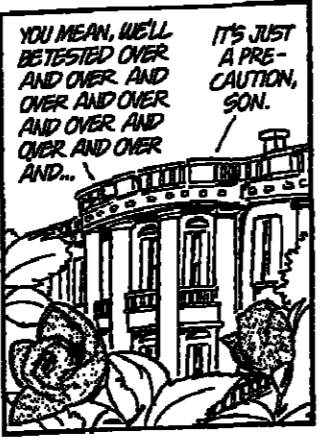
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Harlan Foss and Timothy Breesee meet at the steps of the robot.

DOONESBURY



INTERNATIONAL Herald Tribune

For Lack of a Policy

Twice in the last week, friendly Arab governments in the Gulf region took to bay arms elsewhere after members of the U.S. Congress, acting, they believed, for the good of Israel, had rebuffed their efforts to buy American weapons.

A Crisis for Mexico

Mexico's election returns have been coming in disastrously slowly, and the delays cast a cloud of suspicion over them. The effect is inevitably to weaken the authority of the next president.

Yes to Some Testing

Does the U.S. government have the right to seize at random the bodily fluids of hundreds of thousands of its employees and search those fluids by analysis for evidence of drug abuse?

Other Comment

Another U.S. Shift in Asia?

The kind of strategic setting Indonesia would like to see emerge in its region may not be congruent with U.S. national interests.

Breaking Eggs in Mexico

Whatever the final "official" results of the election in Mexico, the old one-party system is dead.

It's Uphill for Dukakis, but Bush Is Beatable

By Barry Sussman

WASHINGTON — Political opinion soundings have been taking some strange bounces in recent months. In the Gallup Poll, Vice President George Bush went from a 12-point lead in voter intentions in March to trailing Michael Dukakis by 16 points in May and by 14 points in early June.

The Languid World Bank Needs a Shaking Up

By Roger Altman

NEW YORK — Even its traditional supporters recognize that the World Bank is slipping into obsolescence. While Third World debt chokes off growth in the developing countries, the bank is proceeding with business as usual.

Glasnost Can Make Life Easier for the KGB, Too

By Howard R. Simpson

KINSDALE, Ireland — It was ironic but fitting that news of the huge Soviet intelligence operation in Canada broke shortly after Western leaders at the economic summit in Toronto had welcomed Mikhail Gorbachev's policies of glasnost and perestroika.

Spying in Canada: Two Big 'Realities'

By John F. Burns

TORONTO — When Pierre Elliott Trudeau stepped down after 15 years as Canada's prime minister in 1984, he told a friend that he had not realized before taking the job how limited his powers were.

OPINION

Papandreou Should Get The Message

By Jim Hoagland

ATHENS — The bomb that killed U.S. Navy Captain William E. Nordren near his home on June 28 opened a chilling new chapter in the 13-year campaign of terror directed against American military and intelligence officials stationed in Greece.



1888: Exit Boulanger

PARIS — Boulanger has resigned. The Palais Bourbon will see no more of him for a season.

1913: Athens in Black

ATHENS — All the Athens newspapers appear with black borders today (July 12) as a sign of mourning for the victims who have been massacred by the Bulgarians at Serres.

1938: Chinese Towns Hit

SHANGHAI — Launching what is apparently an attempt to isolate Hankow by a curtain of aerial fire, (July 12) bombed several towns on each side of the Yangtze, killing at least 200 civilians and wounding hundreds.

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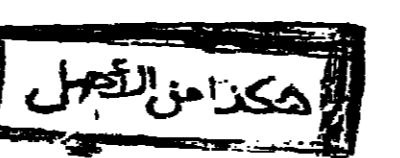
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NYSE volume up	141,620,000
NYSE volume down	141,620,000
NYSE volume up	141,620,000
NYSE volume down	141,620,000

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July 11	Buy	Sales	%Chg
July 12	21,257	45,125	21.32
July 13	21,257	45,125	21.32
July 14	21,257	45,125	21.32
July 15	21,257	45,125	21.32

High	Low	Close	Chg
21,257	20,775	20,924	-18.47
19,229	18,825	18,924	-1.21
72.25	71.75	72.00	-1.20

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21,257	20,775	20,924	-18.47
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19,229	18,825	18,924	-1.21
72.25	71.75	72.00	-1.20

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AMEX Most Active table with columns for stock symbols and prices.

AMEX Stock Index table with columns for index values and changes.

Large table of stock market data including various stock symbols and their corresponding prices.

Table of currency exchange rates for various international locations.

Table of interest rates for different denominations and terms.

Table of key money rates and Asian dollar deposits.

Panasonic Office Automation advertisement with logo and slogan 'Freeing business people'.

Herald Tribune BUSINESS/FINANCE

Panasonic Office Automation advertisement with logo and slogan 'for creative tasks'.

MADISON AVENUE

Absolut Vodka Said to Set Spirits Spending Record

By PHILIP H. DOUGHERTY
NEW YORK — Absolut, Sweden's best-known entry into the U.S. vodka market, will have an advertising budget of about \$18 million for the fiscal year beginning Oct. 1.

That will give the No. 1-selling imported vodka in the United States the biggest advertising budget for a single brand of spirits in American history, according to Richard N. Costello, president and chief operating officer of TBWA Advertising, the agency that has been advertising Absolut in the United States since 1980.

Mr. Costello said the agency is on a hot streak. One reason for it, he said, is that people are becoming more familiar with the company, which was started in 1970 in Paris as Tragos, Bonnage, Wiesendanger, Ajroldi by four young & Rubicam, Paris dropouts — an American (William Tragos, the chairman and chief executive in New York), a Frenchman, a Swiss, and an Italian, each running an office in his own country. Total billings worldwide last year were \$545 million.

But the other reason for the run of business, Mr. Costello said, is the Absolut Vodka advertising. Carillon Importers, whose brands included Absolut, Grand Marnier liqueur and Bombay Gin, had all its eggs in the Martin Landey Arlow basket in the late 1970's when that agency was acquired by Goetz, Gross Advertising, already an agency for Brown-Forman Corp. Because of the conflict, Goetz, Gross resigned from Carillon, which then turned to TBWA.

Young & Rubicam, the world's largest advertising agency, has acquired a minority interest in Team, a Lisbon firm, which is the largest independent ad agency in Portugal, billing about \$14 million annually.

It will be named Team-Young & Rubicam, and although Y&R holds a minority position, it said it intended to become a majority shareholder. The two agencies already share a number of multinational clients including Unisys, Trans World Airlines and Eastman Kodak.

BOSTON'S Hill, Holliday, Connors, Cosmopolis has won the \$50 million Nissan Infiniti account. The Infiniti's introduction is scheduled for next year. The account is the biggest ever won by the 20-year-old Boston agency. It will open a full-service Los Angeles office next year to serve Nissan Motor Corp. USA, which is based there.

Mr. Connors noted that the Infiniti will be one of the first luxury cars to be marketed in the United States by the Japanese. This is the fastest-growing facet of the automotive market.

The six advertising agencies that have been selected as finalists for the International Business Machines Corp. account, billing in the neighborhood of \$150 million, are scheduled to receive identical creative assignments this week.

IBM promises to announce a winner by the end of August. Unlike many advertisers in agency searches, IBM is not using a consultant.

The agencies selected are Lord, Keller, Federico, Einstein, the WPP Group-owned incumbent; Lord, Einstein, O'Neill & Partners, whose founding by the former management of LGFE led to the agency search as well as a lawsuit; Wells, Rich, Greene; D'Arcy Masius Benton & Bowles; Grey Advertising; and Lintas Worldwide, a subsidiary of the Interpublic Group.

Some of the Madison Avenue smart money is guessing that IBM might choose more than one agency so that it would not be caught in a bind, as it was after the LGFE defection.

London's 'Siege of the Savoy' Heats Up

The protagonists and plot could almost have been taken from a Gilbert and Sullivan production.



Leana Martin, a Savoy shareholder, leaving a special meeting in the fight that reflects differing traditions and philosophies.

By Steve Lohr
NEW YORK TIMES SERVICE
LONDON — Lord Forte has come a long way. Bora in the Italian mountain village of Monteforte, Charles Forte emigrated as a child to Scotland, where his father ran an ice cream shop and a cafe.

Through hard work and ingenuity, he rose from waiting on tables in his father's cafe to become one of Britain's most successful entrepreneurs, creating the \$3-billion-a-year hotel and catering empire Trusthouse Forte PLC.

Along the way, the executive 79, has overcome a number of obstacles, including prejudice: His first business, a London soda fountain, was closed in World War II when he was interned as an enemy alien.

Yet the challenges he encountered in his rise from obscurity pale next to the resistance he now faces in his seven-year battle to gain control of the Savoy Hotel PLC, perhaps the world's most prestigious collection of hotels.

The protagonists and the plot could almost have been taken from one of the Gilbert and Sullivan productions staged by Richard D'Oyly Carte, the young British impresario who built the Savoy in 1889 with the proceeds from such musicals as "H.M.S. Pinafore" and "The Pirates of Penzance."

The campaign for the Savoy group is heating up, as demonstrated by a dramatic shareholders' meeting in the elegant Lincoln Room of the Savoy on July 1, which was front-page news in Britain. But the ending is still in doubt and the fate of the blue-blooded company may eventually be settled in the House of Lords, the highest court in Britain.

The "siege of Savoy" is in part a lively corporate tussle for control of the group's well-known London hotels — the flagship Savoy, the Berkeley, Claridge's and the Connaught — as well as two other hotels, two restaurants and a spa.

But the struggle also represents a clash of very different business philosophies and social classes, a confrontation in essence between two different Britains, the old establishment and the new.

In one corner is the hard-driving outsider, Lord Forte, who represents the new enterprise culture of the 1980s, championed by Prime Minister Margaret Thatcher. Indeed, he was awarded his peerage and his seat in the House of Lords in 1982 thanks to Mrs. Thatcher. And Trusthouse Forte (pronounced FOR-ty) handles much of the catering for 10 Downing Street, the prime minister's residence.

His opposite is Sir Hugh Wontner, also 79, who retired as chairman of Savoy earlier this year and who has been associated with the hotel group for nearly five decades. Sir Hugh is a Clerk of Royal Kitchens and catering adviser to the royal household and a former lord mayor of London.

Though retired, he retains the use of a suite at Claridge's. Sir Hugh and his family control a crucial 10 percent of the voting stock of Savoy, a holding that places him at the center of a complex and bitter legal case that Trusthouse Forte is using to wrest control of the company. He epitomizes the old-line establishment, a public school-educated English gentleman who reveres tradition, discretion and understatement.

Like his well-heeled clientele, Sir Hugh always put quality before cost. Even when the group was losing money at the start of the 1980s, Savoy was still making its own mattresses, and still does.

Sir Hugh was a hotelier, not an accountant, and proud of it. He regards the Savoy group as a national asset that would be put at risk by what he sees as the Forte brand of Philistine commercialism.

His successors at Savoy seem to be from the same mold. Giles Shepard, the 51-year-old managing director of the Savoy group, was educated at Eton and served with the prestigious Coldstream Guards. Asked about Lord Forte and his son, Roooco, 43, the chief executive of Trusthouse Forte, Mr. Shepard said: "They are damned good caterers. But our perspectives of life are totally different."

The cultural divide between the two sides surfaced with a vengeance at the shareholders' meeting on July 1. The Savoy's 2,000 shareholders were asked to give a show of support for the board's efforts to spurn Trusthouse Forte.

Specifically, the shareholders were polled on a resolution condemning Trusthouse Forte's court suit, filed last year, to cancel the voting rights of a key block of shares. The block, accounting for 5.77 percent of the total voting rights, is held by a See SAVOY, Page 13

Two Hotel Chains

Table comparing 1987 and 1987 revenues for Savoy Trusthouse Forte and another group.

Savoy's Luxury Hotels: In London, the flagship Savoy, the Berkeley, Claridge's, and the Connaught. In Worcester, the Lygon Arms, and in Paris, the Hotel Lancaster.

Trusthouse Forte's Luxury Hotels: Eighteen luxury-class hotels include the Hyde Park, Grosvenor House and Brown's in London, the Fitz in Madrid, the Plaza Athénée in Paris, and the Westbury and Plaza Athénée in New York.

Drought, Heat Seen Slashing U.S. Crop Size

The Associated Press
WASHINGTON — Drought and extreme heat have shriveled this year's prospective corn output to about 5.2 billion bushels, down more than 26 percent from the 7.06 billion bushels harvested in 1987, the Agriculture Department said on Tuesday.

The new figures were based on updated projections that take the drought into account and reflect conditions prevailing at the time of the report.

In May and June, based on past yield trends and an assumption of normal weather, the department projected the corn harvest at 7.3 billion bushels.

Soybean prospects were shown at 1.65 billion bushels, down from about 1.9 billion in 1987. Until the drought, the expectation was for 1.88 billion bushels.

Projected output of all wheat was reported at 1.84 billion bushels, down from 2.1 billion bushels last year. In May and June, before the drought made its impact, Agriculture Department had projected a slightly larger crop.

The wheat total included winter wheat, which stayed barely ahead of the drought. Later plantings of durum and other spring wheat varieties were severely damaged by heat and dryness.

Winter wheat output — an actual in-field estimate as of July 1, not a statistical projection — was put at 1.57 billion bushels, up slightly from 1.56 billion last year and matching the June estimate.

Consumer food prices, overall, are going up as a result of the drought, averaging 3 percent to 5 percent higher this year than in 1987.

Before the heat and dry weather became pervasive, the department estimated the 1988 food price rise at 2 percent to 4 percent.

Officials have said that 1989 food prices could rise an additional 2 percent to 3 percent because of this year's losses. That would be on top of an expected rise in 1989 living costs generally, perhaps around 4 percent.

Currently, the Agriculture Department considers more than 1,900 counties in 37 states as feed-scarce drought areas where emergency assistance is available.

Ewen M. Wilson, the agriculture department's chief economist, said that total U.S. grain production this year was estimated at 212 million metric tons, down 24 percent from 1987.

The smaller grain crop is the result of reduced production brought on by the drought, Mr. Wilson said. "Total supplies of grain, which take into account existing stocks are estimated at 388 million metric tons, down 20 percent from a year ago."

He said that spring-planted crops are "entering a critical stage of development" and that final levels of 1988 production will depend on the weather.

Japan Says June Trade Surplus Fell

By Patrick L. Smith
International Herald Tribune

TOKYO — Japan's merchandise trade surplus fell 10.1 percent in June from a year earlier, to \$3.93 billion, the Finance Ministry reported Tuesday. There was a 9.6 percent decline in the surplus with the United States.

For the first six months of this year, the trade surplus declined 16 percent from the first half of 1987 to \$23.66 billion, the ministry said in a preliminary report. Exports in the period rose 15.7 percent, to \$125.43 billion, while imports increased 34.3 percent, to \$91.77 billion.

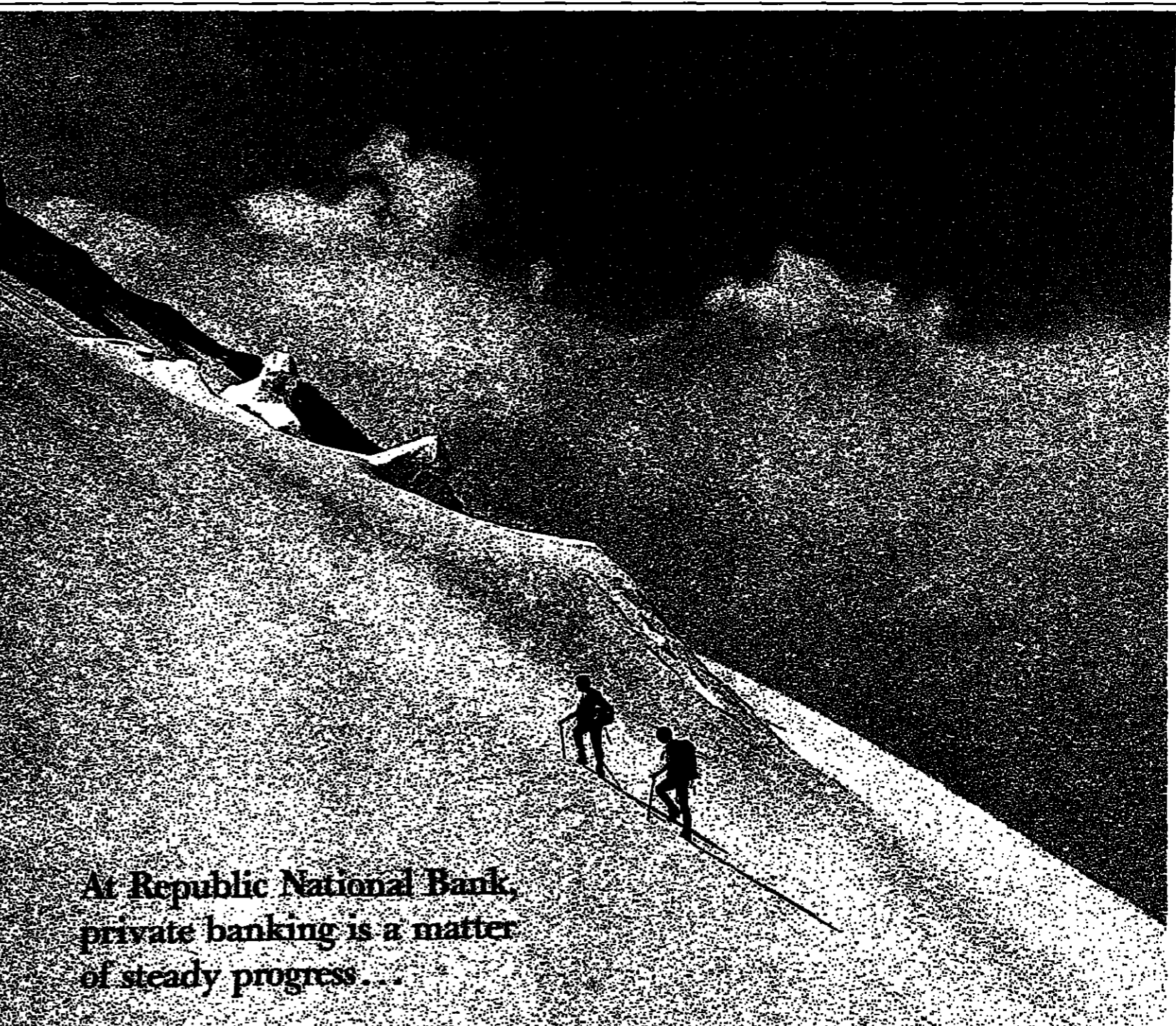
Although the June report marked the 14th consecutive monthly decline in Japan's merchandise account, it showed a significant slowdown from the 21 percent year-to-year drop in May. This chiefly reflected an unexpectedly large increase in Japanese exports.

On a customs-cleared basis, exports rose 17 percent in June, to \$22 billion, for the eighth consecutive double-digit increase. Exports of office equipment, semiconductors and steel showed the largest gains, mostly because of price increases during the month.

Imports rose 31.6 percent, to \$16.1 billion, over a year earlier. While the Finance Ministry report was less favorable than trade analysts had anticipated, most said it was too soon to conclude that readjustments in Japan's global trade imbalances would come to a halt in coming months.

"The data suggest that external demand remains more robust than we thought it would," said David Gerstenhaber, senior economist in Tokyo at Morgan Stanley International Ltd.

On a seasonally adjusted basis, the surplus rose slightly for the first time in five months, to \$5.2 billion in June from \$5.14 billion the previous month.



Advertisement for Republic National Bank of New York (Suisse) SA, featuring the text 'At Republic National Bank, private banking is a matter of steady progress...' and 'rather than short cuts. As your private bankers, our mission at Republic National Bank will be to preserve and guide your assets through a changing and potentially dangerous economic climate.'

Currency Rates

Table of currency rates for various countries including Australia, Brazil, Canada, etc.

Table of other dollar values for various currencies like Swiss franc, Japanese yen, etc.

Table of forward rates for various currencies.

Interest Rates

Table of Eurocurrency deposits for various terms and currencies.

Table of key money rates for various currencies.

Table of Asian dollar deposits for various terms.

Table of U.S. money market funds for various categories.

Gold

Table of gold prices for various locations like London, New York, etc.

Source: Reuters, Bank of Tokyo, Commercials, Crefit, Lloyds.

BUSINESS ROUNDUP

Coleco Seeks Chapter 11 Protection

The Associated Press
WEST HARTFORD, Conn. — Coleco Industries Inc., which soared to the top of the toy industry in the mid-1980s with its Cabbage Patch Kids and then skidded into debt, has filed for protection from its creditors under Chapter 11 of the U.S. bankruptcy code. Coleco said the filing, which did not include its Canadian and other foreign subsidiaries, was made Monday evening in the U.S. Bankruptcy Court for the Southern District of New York.

The toy maker said the filing followed the refusal of its short-term bank lenders to agree to provide the company with an adequate working-capital credit line.

Coleco also announced that its chairman, Morton E. Handel, who is recovering from recent open-heart surgery, has submitted his resignation as chief executive officer, citing the company's need for a full-time chief executive during this period. He will continue as chairman.

The board of directors appointed J. Brian Clarke, currently president and chief operating officer, as president and chief executive officer.

The bankruptcy filing had been expected after Coleco was unable to persuade its bondholders to agree to a \$335 million debt restructuring. The company reported a loss of \$47.4 million in the quarter that ended April 2, and has suffered losses in four of the past five years, including \$215 million over the last two years.

Coleco owns more than \$100 million to a group of foreign and domestic lenders.

In recent weeks, the company has tried to raise cash by selling off some of its product lines. Hasbro Inc., the nation's largest toy maker,

said Monday it had agreed to purchase some of Coleco's assets and lines for \$21 million, including the plastic pools and children's outdoor furniture lines.

Those lines, which helped launch Coleco in the toy business in 1956, had sales last year of \$77 million.

Coleco also has slashed its work force in an effort to cut costs. It currently has fewer than 600 employees in the United States, down from an average of 2,500 last year.

Besides Cabbage Patch Kids, whose fall from popularity dented the company's fortunes, Coleco manufactures Alf dolls, Big Wheels plastic tricycles and board games, such as Scrabble. Industry sources said the company holds about 5 percent of the U.S. toy market.

Analysts said the same aggressive management style that helped Coleco hit the jackpot with the gamble on Cabbage Patch Kids in 1983 helped bring on its troubles.

Adam was a monumental flop, and sales of ColecoVision cooled.

a number of other toy companies rejected the product, helped Coleco end 1985 in its strongest financial condition ever, with sales of \$776 million and record earnings of \$64 million.

But the Cabbage Patch fad abated, and analysts said the company did not pare its costs soon enough. When the toy industry suffered a slump in 1987, the company was hit particularly hard.

The company posted a \$22 million loss in 1978, threatening its survival. In 1980, the Securities and Exchange Commission charged Coleco with misstating its financial results to mask troubles.

In 1982, the company began a move toward prosperity with the introduction of its ColecoVision home video game system. The company saw its future in electronics, and in 1983 unveiled its \$600 Adam home computer.

Adam was a monumental flop, and sales of ColecoVision cooled.

Data General Plans to Sell Singapore Assembly Plant

Compiled by Our Staff From Dispatches
SINGAPORE — Data General Corp. announced Tuesday that it planned to sell a printed-circuit-board fabrication plant in Singapore as part of a cost-reduction program.

In a statement, Data General, which is based in Westboro, Massachusetts, said that it would also phase out, by the end of this year, a Singapore minicomputer plant.

"We are negotiating the sale of our PCB fabrication plant," a company spokesman said, declining to elaborate. The two plants were set up in 1984 and have about 400 employees.

Wayne Fitzsimmons, a vice president of the Americas/Far East division, said the decision affecting the Singapore plants was "part of a continuing corporate-wide effort to reduce unneeded costs and refocus resources into areas that will have a positive impact on future growth."

"With the changes in technology taking place within the industry," he said, "including the growing use of industry-standard commodity microprocessors, computer vendors require less manufacturing capacity."

The value of the two plants could not be immediately learned.

Mr. Fitzsimmons said a third Singapore plant, the Asian Software Development Center, which is engaged in sales, marketing and field engineering operations, would continue to operate. (Reuters, AFP)

Norsk Data Says It Expects To Report Loss for Full Year

Reuters
OSLO — Norsk Data A/S, the computer maker, said Tuesday that it may not make a profit this year — a major reversal for a company that has always been the flagship of Norwegian industrial success.

"We intend to make money, but I cannot guarantee that it will happen this year," Rolf Skaar, the company's founder and president, said.

"There is the chance that we will be unprofitable for the whole year — the first I can remember," he said in a telephone interview.

Last week, Norsk Data surprised markets when it announced that it expected a 125-million kroner (\$18 million) pretax loss for the first half of 1988 compared with a 178-million kroner profit for the same 1987 period.

For the full year, Norsk Data reported earnings of 198 million kroner, half the 1986 level. The company blamed poor sales in what it called an increasingly tough world computer market.

Mr. Skaar blamed the first-half loss on poor performance in the domestic market, which still accounts for more than 40 percent of total sales.

Norwegian municipalities, a major revenue area for Norsk Data, have been criticized by the government for overspending and forced to cut their budgets severely.

Mr. Skaar said domestic business volume was likely to decline by a further 5 percent to 10 percent over the year. He pledged to boost sales abroad.

Business in Norsk Data's four major foreign markets — Sweden, Denmark, Britain and West Germany — is going well, he said, with foreign sales up by 45 percent in the first half.

"We are planning new products, although nothing revolutionary," Mr. Skaar added.

He said a takeover bid for the company was most unlikely, despite the low share price — now around 50 kroner for both the A and B shares.

Sales between 1973 and 1986, Norsk Data's sales grew at an annual average of 40 percent. The company's minicomputers became synonymous with "end-user compatibility" — meaning giving the customers what they want.

Britain Clears News Corp.'s Pearson Stake

The Associated Press
LONDON — The British government gave its approval Tuesday to News Corp.'s purchase of a 20.4 percent stake in Pearson PLC, publisher of the Financial Times.

The approval came as Lord Young, the British trade secretary, decided not to refer the shareholding to the Monopolies and Mergers Commission. The commission has the power to investigate planned takeovers.

News Corp., which owns several London newspapers including The Times, began acquiring Pearson shares in September, when it launched a "dawn raid" — the surprise purchase of a large number of shares in the open market — that brought its holding of Pearson's shares to just under 15 percent.

Further purchases, including a 4.9 percent stake bought from Cetus BV, which is controlled by the Italian financier Carlo Benedetti, took News Corp.'s holding to 20.4 percent.

News Corp., which is controlled by the publisher Rupert Murdoch, has said it does not intend to bid for the remainder of Pearson.

Merrill Lynch Profits Fall 36%, Reflecting U.S. Financial Slowdown

Compiled by Our Staff From Dispatches
NEW YORK — Merrill Lynch & Co., considered a bellwether of the U.S. retail brokerage industry, reported Tuesday that its profit plunged almost 36 percent in the second quarter, reflecting a lower level of overall financial activity.

Merrill Lynch said that net income was \$53.5 million, or 47 cents a share, in the quarter, against earnings of \$83.3 million, or 75 cents a share, in the year-ago period.

Revenue in the quarter rose 8.7 percent, to \$2.5 billion from \$2.3 billion a year earlier.

William Schreyer, chairman and chief executive officer, said the results were "reasonable considering the difficult business environment," noting that the period was

marked by reduced activity in financial markets.

Commission revenues in the second quarter declined 35 percent to \$293 million, reflecting reduced stock market activity, the company said in a statement.

Investment banking revenue also declined, by 13 percent to \$256 million, reflecting a lower level of mergers and acquisitions closings.

But record fixed-income activity drove principal transaction revenue to \$388 million, compared with a loss of \$133 million a year ago.

Daniel Tully, president and chief operating officer, said the company is confident that "the cost-control and productivity im-

provement measures put into place during the first half are on course."

For the first six months of 1988, net earnings totaled \$122 million, or \$1.08 a share, 36 percent below the \$192 million, or \$1.72 a share, in the first half of 1987.

Analysts said merger activity will account for a large share of second-quarter profits at Wall Street firms.

"The merger business and its offshoots — bridge financing, junk debt and risk arbitrage — are all near peak levels, and firms concentrated there are experiencing good profitability," said Michael Goldstein of Sanford C. Bernstein Co.

"The rest of the business," Mr. Goldstein said, "is in a cyclical downturn."

Many Wall Street firms are expected to be

less profitable in the second quarter than they were in the first, said analysts.

"The big difference is that trading profits will be significantly lower than they were in the first quarter," said Lawrence Eckenfelder of Prudential-Bache Securities Inc.

Although prices of the brokerage stocks moved up recently, enthusiastic buy recommendations have been sparse, Frank Desanctis, analyst at Smith Barney, Harris Upham & Co., said he recommended the purchase of Shearson Lehman Hutton Inc., but maintained a neutral rating on others.

"Shearson is priced like it was a retail brokerage firm," he said. He said the firm has become a significant investment banking company, "a point missed by the market." (Reuters, AP)



Lord Forte, born in an Italian village and now head of a hotel and catering empire, is fighting to gain control of the Savoy Group.



Sir Hugh Wontner, the retired company chairman who has been associated with Savoy for nearly five decades, leads the resistance.

SAVOY: 'Siege of Savoy' Heats Up in Fight for Prestigious London Hotel

(Continued from first finance page)
 organization controlled by Sir Hugh and his associates.

When Trusthouse Forte made a takeover bid for the Savoy group in 1981, it emerged with 69 percent of the company's equity but just 45 percent of the voting rights because of a complex, two-tier share structure of ordinary shares and more powerful B shares. In short, the Forte camp is left with effective ownership but without control. There are no Trusthouse Forte representatives on the Savoy board.

The crucial block of shares that accounts for 5.77 percent of the votes was issued in 1970, when the Savoy group made its one acquisition outside Britain, purchasing the Hotel Lancaster in Paris from Emile Wolf for £720,000 (about \$1.22 million at the current exchange rate) in cash and shares.

It included a chunk of B shares. But those shares ended up not with Mr. Wolf but in a Swiss-based "charity," La Fondation pour la Formation Hotelière, which turns out to be controlled by Sir Hugh, his relatives and associates, through a group of nominee firms that cloak ownership.

Trusthouse Forte is suing to have this block of shares canceled. During the last few years, Trusthouse Forte has been able to garner some of the legal documents on the 1970 transaction, with a large cache coming from the late Mr. Wolf's lawyers, who apparently mistakenly handed them over to Trusthouse Forte's legal advisers.

The Forte claim is that the shares were never meant as payment for Mr. Wolf, that he was paid in cash only and that the 5.77 percent block was fraudulently issued to strengthen Sir Hugh's voting position. "We have extensive and cogent evidence of Sir Hugh

Wontner's wrongdoing," Lord Forte wrote to shareholders.

In addition, under British corporate law, share stakes of more than 5 percent must be reported. Yet it was only in late 1986, after Trusthouse Forte began its legal investigations, that the Swiss foundation, whose board includes Sir Hugh, his daughter and his son-in-law, came forward.

Sir Hugh's explanation was that in 1970 the 5 percent reporting requirement was not in effect and, later, he was "under the impression" that, as a Swiss institution, La Fondation pour la Formation Hotelière was not subject to the requirement.

If Trusthouse Forte is successful in getting the 5.77 percent voting shares declared void, its share of the votes will rise to 44.92 percent from 42 percent and the stake controlled by the board will drop to 47 percent from 50.5 percent, weakening the board's grip.

And Lord Forte would move far closer to controlling the Savoy, where he proposed to his wife, Irene, and where they spent their honeymoon.

At the special Savoy shareholders meeting, the board got the vote it was hoping for. The shareholders voted 53.23 percent to 46.8 percent to condemn the Trusthouse Forte legal action. But more than the vote, the tone of the meeting and the comments of the shareholders spoke volumes about the depth of their loyalty to Savoy traditions and to the embodiment of those traditions, Sir Hugh.

One shareholder who rose to speak seemed to capture the mood of the meeting. "Whatever irregularities were committed, if Sir Hugh committed these irregularities he did so in the interests of the Savoy," he declared to applause.

Yet the loudest ovations were reserved for Sir Hugh, who spoke standing in the back of the room, flanked by his lawyers. The dapper, bespectacled hotelier dismissed the suit as "Lord Forte's latest maneuver, taken not in the interest of the shareholders, but in his own interest, by creeping in through the back door."

Sir Hugh characterized the failure to report the Swiss foundation holding as an oversight. "There isn't any doubt that it should have been disclosed," he said. "I hope we hear no more of that. I have admitted that it was wrong — that's the end of it."

Not if the Forte camp has anything to say about it. Lord Forte chose to let his son, Rocco, speak for the company before the mainly hostile gathering of Savoy shareholders. "The board is asking you to whitewash the issue," Mr. Forte said. "They are asking you personally to endorse the fraud."

The Savoy's determination to resist is inspired also by the management team's disdain for the Fortes. Savoy executives refer to Lord Forte, for instance, as "the little chet," which is also the name of his company's chain of roadside fast-food restaurants.

But, in addition, the Savoy managers believe that Trusthouse Forte's big-company culture would undermine the personalized service and special character of the Savoy hotels. "The best things come in small packages," Mr. Shepard has said. "I don't think any big company could run the Savoy properly."

Another example of Savoy nobility, replied Mr. Forte. Already,

Trusthouse Forte runs 18 luxury-class hotels.

Trusthouse Forte has a reputation for sharply increasing the profitability of its acquired properties through tight financial controls, centralized purchasing and more aggressive marketing.

Lord Forte has estimated that he could double the profitability of the Savoy group, which last year posted pretax income of \$24.3 million on revenue of \$126 million. Trusthouse Forte earned pre-tax profit of \$306 million on revenue of \$3.02 billion last year from its 800 hotels and 3,000 catering outlets.

Still, the Savoy's fate will not be settled in the hotel lobby. The next scene will unfold in a London courtroom: the case is expected to come up for hearing in the fall. Lord Forte was doubtful about the outcome. "I don't think we'll get a fair hearing, because all the judges have wine and dined at the Savoy for so many years," he said.

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DG BANK 1987 - Key Group Figures

Business Volume	DM 134.9 billion
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Deposits	DM 76.3 billion
Bonds and Notes Issued	DM 42.9 billion
Loans	DM 83.7 billion

needs, our fast-action policy ensures that you rapidly get together with the right people and lose no time in analyzing all the risks and opportunities.

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Tuesday's AMEX 2p.m.

Via The Associated Press

Table with columns: 12 Month High/Low, Stock, Div. Yld. PE, 2 P.M. High/Low/Out. Closes. Lists various stocks like ABL, AIG, AIA, etc.

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INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 12th July 1988

Large table listing various international funds with columns for fund name, currency, and other details.

Other Funds

Table listing other funds with columns for fund name, currency, and other details.

Floating-Rate Notes

Table listing floating-rate notes with columns for currency, coupon rate, bid, and ask prices.

Pounds Sterling

Table listing pounds sterling related data with columns for currency, coupon rate, bid, and ask prices.

Deutsche Marks

Table listing deutsche marks related data with columns for currency, coupon rate, bid, and ask prices.

Be sure that your fund is listed in this space daily. Telex Matthew GREEN at 61339 for further information.

Large vertical advertisement on the right side of the page, including 'Currency Markets', 'Dollar Falls in W', and 'Tuesday's OTC Prices'.

CURRENCY MARKETS

Dollar Falls in Wait-and-See Market

NEW YORK — The dollar slipped lower Tuesday in slow and narrow trading against major currencies, in anticipation of Friday's release of U.S. trade figures for May, dealers said.

Estimates of the size of the deficit for May and its likely impact on the market varied widely and trading was cautious. "I think people are being careful going into the summer," said Hubert Pedroh, manager of the corporate foreign exchange desk at Credit Suisse.

The dollar fell to 1.8358 Deutsche marks at the close in New York from 1.8455 DM on Monday and to 132.375 yen from 133.375. It slipped to 1.5200 Swiss francs from Monday's 1.5340 and to 6.1895 French francs from 6.2090.

The pound rose to \$1.6985 from \$1.6885.

In London, trading was moderate and technical, dealers said. "We see the dollar's basic trend as bullish, but we cannot move at the moment ahead of the trade data," said Kotica Palutka, Bank of Tokyo's customer dealer.

With the dollar becalmed, market attention was on cross rates, in particular between the yen and the mark, dealers said. Bundesbank intervention was noted, as has been the recent pattern.

The dollar eased to 1.8373 DM from 1.8465 at Monday's close. It fell slightly to 132.63 yen from 133.05. The decline against the yen followed a similar movement in trading Monday, when crossrate trading depressed the dollar.

Against the Swiss franc, the dollar eased to 1.5225 from Monday's 1.5350, while it dipped to 6.1935 French francs from 6.2115.

The pound was sidestepped, dealers said, bucking up to \$1.6965 from \$1.6890 last ending to 3.1155 DM from 3.1198. The British currency was unchanged at 75 on its trade-weighted index.

The Bundesbank sold dollars for

London Dollar Rates

Table with columns: Currency, Bid, Ask, Net. Includes Deutsche mark, French franc, Swiss franc, etc.

a number larger than \$11 billion would probably be taken negatively, though they noted that the dollar has stored up substantial strength since late May.

A dealer in London said that even if the trade gap widens to \$12 billion or \$13 billion, it is unlikely that the dollar would fall sharply.

News that the Bundesbank had decided not to raise the allocation rate at this week's securities-repurchase pact had little impact, as there was persistent speculation that the bank would be forced to raise interest rates sooner or later.

The announcement that Helmut Kohl, the West German Chancellor, would attend the Thursday meeting of the Bundesbank's council — which sets the nation's monetary policy — attracted dealers' attention. But they said they are not expecting the meeting to have much impact on the market.

(Reuters, UPI)

Gold Closes Up But Cautiously

NEW YORK — Gold prices overcame early weakness on the New York Commodity Exchange to close higher on Tuesday, drawing support from a weaker dollar, a recovery in crude oil prices and higher soybean prices, dealers said.

Gold for August delivery rose \$2.30 an ounce to \$438.70, after having traded as low as \$434.20. In London earlier, gold prices also overcame early weakness and closed at \$436.75.

Trade buying at the lows reversed the early losses and fueled a short-covering rally, analysts said. Increased commercial dealer interest also underpinned prices.

Bundesbank Maintains Key Interest Rate

FRANKFURT — The Bundesbank failed to confirm market expectations of a West German interest rate increase on Tuesday, leaving its key securities-repurchase interest rate unchanged at 3.75 percent.

Speculation that the West German central bank might raise this rate led to tension in financial markets Monday. But Tuesday, the Bundesbank offered 28-day securities-repurchase agreements to commercial banks at the unchanged rate. The rate was raised on June 22 and July 2 by a quarter point each time, after being stable for more than six months.

Separately, a Bundesbank spokesman announced Tuesday that West Germany's Chancellor, Helmut Kohl, will attend Thursday's regular meeting of the Bundesbank's council, which sets the country's monetary policy.

The spokesman said in response to inquiries that Mr. Kohl would attend the meeting for an exchange of views on economic matters. The visit, the first by a chancellor since 1978, has been planned for some time, he added.

Monetary analysts said the talks would probably revolve around the recent European Community summit in Hannover, which rounded off West Germany's six-month EC presidency and set up a committee to study plans for a European Monetary Union, which will include the Bundesbank president, Karl Otto Pöhl.

While Mr. Kohl has never attended a Bundesbank council meeting before, Bonn colleagues, such as Finance Minister Gerhard Stoltenberg, make periodic visits to discuss monetary matters.

Such visits have coincided with changes in credit policy, but monetary analysts noted that the two do not necessarily go hand in hand.

due to the Bundesbank's cherished independence.

Many monetary traders and analysts have been speculating that the Bundesbank would raise its Lombard emergency financing rate to 5 percent from 4.5 percent at Thursday's meeting.

Some said such a move would be justified by the persistent weakness of the Deutsche mark against the U.S. dollar and high West German money supply growth, and would merely follow the earlier half-point increases in the securities-repurchase rate.

But others said that the Bundesbank will want to wait to see how the mark responds to the scheduled Friday release of U.S. trade figures for May before acting.

The Bundesbank spokesman did not give any further details on the likely topics of discussion. No immediate comment was available from the chancellor's office in Bonn.

(Reuters, AFP)

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Tuesday's OTC Prices NASDAQ prices as of 2 P.M. New York time. This list, compiled by the AP, consists of the 1,000 most traded securities in the U.S. market.

Table with columns: 12 Month High Low Stock Div. Yld. Sales in 100s High Low 2 P.M. CHG.

Polish Inflation Set At 57% Year-End

WARSAW — The Polish government has set a target of 57 percent for inflation at the end of the year.

The target is a significant increase from the 30 percent target set for the end of 1987.

The government hopes to achieve this target through a combination of monetary and fiscal measures.

The target is based on the government's estimate of the inflation rate for the year.

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Inactive UN Fund to Aid 3d World Commodities

GENEVA — A dormant United Nations accord aimed at aiding Third World commodity producers has won enough support to take effect, the United Nations said Tuesday.

Graham Stanley, spokesman of the UN Conference on Trade and Development (UNCTAD), said that ratification of the agreement on Monday by the Maldives, the Indian Ocean republic, meant the organization's Common Fund for Commodities could come into force.

The fund, negotiated in 1980, was originally seen as a central pool of finance that could be used to buy commodities on world markets to keep prices stable. But officials have put more emphasis recently on using it to finance commodities research and development.

Signatures are unofficial. Yearly high and low reflect the previous 20 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual distributions based on the latest declaration.

a — dividend declared or paid in preceding 12 months; b — annual rate of dividend plus stock dividend; c — non-cumulative dividend; d — new yearly low; e — dividend declared or paid in preceding 12 months, plus stock dividend; f — dividend declared after split-up or stock dividend; g — dividend split this year, entitled, deferred, or no action taken at latest dividend meeting; h — dividend declared or paid this year, an accumulative issue with dividends in arrears; i — new issue in the past 25 weeks. The high-low range begins with the start of trading; j — new issue in the past 25 weeks. The high-low range begins with the start of trading; k — dividend declared or paid in preceding 12 months, plus stock dividend; l — dividend split this year, entitled, deferred, or no action taken at latest dividend meeting; m — dividend declared or paid this year, an accumulative issue with dividends in arrears; n — new issue in the past 25 weeks. The high-low range begins with the start of trading; o — dividend declared or paid in preceding 12 months, plus stock dividend; p — dividend declared after split-up or stock dividend; q — dividend split this year, entitled, deferred, or no action taken at latest dividend meeting; r — dividend declared or paid this year, an accumulative issue with dividends in arrears; s — new issue in the past 25 weeks. The high-low range begins with the start of trading; t — dividend declared or paid in preceding 12 months, plus stock dividend; u — dividend declared after split-up or stock dividend; v — dividend split this year, entitled, deferred, or no action taken at latest dividend meeting; w — dividend declared or paid this year, an accumulative issue with dividends in arrears; x — new issue in the past 25 weeks. The high-low range begins with the start of trading; y — dividend declared or paid in preceding 12 months, plus stock dividend; z — dividend declared after split-up or stock dividend; aa — dividend split this year, entitled, deferred, or no action taken at latest dividend meeting; ab — dividend declared or paid this year, an accumulative issue with dividends in arrears; ac — new issue in the past 25 weeks. The high-low range begins with the start of trading; ad — dividend declared or paid in preceding 12 months, plus stock dividend; ae — dividend declared after split-up or stock dividend; af — dividend split this year, entitled, deferred, or no action taken at latest dividend meeting; ag — dividend declared or paid this year, an accumulative issue with dividends in arrears; ah — new issue in the past 25 weeks. 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The high-low range begins with the start of trading; bm — dividend declared or paid in preceding 12 months, plus stock dividend; bn — dividend declared after split-up or stock dividend; bo — dividend split this year, entitled, deferred, or no action taken at latest dividend meeting; bp — dividend declared or paid this year, an accumulative issue with dividends in arrears; bq — new issue in the past 25 weeks. The high-low range begins with the start of trading; br — dividend declared or paid in preceding 12 months, plus stock dividend; bs — dividend declared after split-up or stock dividend; bt — dividend split this year, entitled, deferred, or no action taken at latest dividend meeting; bu — dividend declared or paid this year, an accumulative issue with dividends in arrears; bv — new issue in the past 25 weeks. The high-low range begins with the start of trading; bw — dividend declared or paid in preceding 12 months, plus stock dividend; bx — dividend declared after split-up or stock dividend; by — dividend split this year, entitled, deferred, or no action taken at latest dividend meeting; bz — dividend declared or paid this year, an accumulative issue with dividends in arrears; ca — new issue in the past 25 weeks. The high-low range begins with the start of trading; cb — dividend declared or paid in preceding 12 months, plus stock dividend; cc — dividend declared after split-up or stock dividend; cd — dividend split this year, entitled, deferred, or no action taken at latest dividend meeting; ce — dividend declared or paid this year, an accumulative issue with dividends in arrears; cf — new issue in the past 25 weeks. The high-low range begins with the start of trading; cg — dividend declared or paid in preceding 12 months, plus stock dividend; ch — dividend declared after split-up or stock dividend; ci — dividend split this year, entitled, deferred, or no action taken at latest dividend meeting; cj — dividend declared or paid this year, an accumulative issue with dividends in arrears; ck — new issue in the past 25 weeks. The high-low range begins with the start of trading; cl — dividend declared or paid in preceding 12 months, plus stock dividend; cm — dividend declared after split-up or stock dividend; cn — dividend split this year, entitled, deferred, or no action taken at latest dividend meeting; co — dividend declared or paid this year, an accumulative issue with dividends in arrears; cp — new issue in the past 25 weeks. 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SPORTS

In Betting, If There's a Yen There's a Way

By Steven Crist
New York Times Service

KYOTO, Japan — Baedeker, the trusted world-travel guide, offers some forbidding advice to a horseplayer visiting Japan: "Betting is under state control and offers poor odds. In particular, the system is so complicated that it is virtually impossible for foreigners to participate."

To this foreigner, that sounded mighty like a dare, and the challenge was accepted. We were willing to dine on eel and jellyfish, and resigned to paying \$8 for a cup of coffee, but absolutely determined to make and cash a bet in the Land of the Rising Yen.

There are two types of thoroughbred horse racing in Japan: at small regional tracks, where second-class racing is conducted by local governments, and at the major tracks, where rich racing is conducted by the national government under the auspices of the Japan Racing Association. We chose to taste the full variety of Japanese culture, we thought it was only right to try both types.

The first stop was Oi — rhymes with "snowy" — a local government track eight miles (13 kilometers) south of Tokyo. The horses running here are a notch below the very best, but it has the only night racing in town.

Our Japanese hosts helpfully provided the local racing sheets. There are five competing versions, all of course, printed only in Japanese. We were, however, able to make out the system by which the public handicappers designated their top selection: a double-

hoop above the horse's name seemed to mean "best bet."

We have made larger bets on even less information. So it was decided to risk 5,000 yen — about \$38 — on the chances of a son of Kauai King named Kauai Fountain, No. 8 in the program. He was also the top choice of a selector calling himself "Chief Track Man." There was nothing terribly complicated about the betting system. Accompanied

The heavy favorite was Oguri Cap, a budding national hero. He had begun his career at the lowly local-governor tracks and made a rare leap to the major circuit, where he had won four consecutive stakes races. The 3-year-old grandson of Native Dancer might have won some or all of Japan's Triple Crown races this spring, but was not nominated to them because of his humble beginnings.

His Chukyo debut was also his first start against older horses. But he was still the 1-to-10 favorite, far too short a price for any self-respecting horseplayer to accept anywhere on earth. It was time to move into the realm of exotic betting, to hook up Oguri Cap with someone else in the race in order to improve the price.

The only forms of betting offered at Japanese tracks are win-place and quinella (in which the bettor must pick the first and second place finishers but need not designate their order of finish). So the latter was the way to go.

Who would run second to Oguri Cap? The public selectors all favored a son of Bravest Roman, named Land Hiryo, and we liked two long shots who looked lively in the paddock.

So, we decided to go for broke and divided our 9,000-yen bankroll into three parts, taking quinellas of Oguri Boy with Land Hiryo and our two long shots for 3,000 yen apiece.

It should have been a superfecta (a bet at U.S. tracks on the first four finishers). Oguri Boy, a gutsy stretch-runner, rallied strongly to run down Land Hiryo deep in the stretch, with the two long shots finishing third and fourth. What an easy game! Oguri Boy received a sustained round of respectful applause, then was led off while a 27-piece marching band serenaded the colt's owner, trainer and jockey with a traditional Japanese victory song.

We went to cash our winning 3,000-yen quinella with one of the ticket clerks. (All Japanese mutual clerks are women, and all are over the age of 35. According to our host, the Japanese prefer to place their bets with women, but "behave too aggressively" with younger clerks.)

Either Baedeker was right about the odds being poor, or we had just hit the smallest quinella in Asian racing history, the equivalent of \$3.40 for \$2, or 5,100 yen for our 3,000 yen quinella. We would have done nearly twice as well just putting the whole 9,000 yen on Oguri Cap to win.

Our profits for the trip were now down to a single tin coin worth 100 yen, now 77 cents. But not to despair. One can buy many things for 100 yen in Japan these days, such as a box of wooden matches, or about an eighth of a cup of coffee. In any language, it beats losing.

Either Baedeker was right about the betting odds on horse racing being poor in Japan, or we had just hit the smallest quinella in Asian racing history.



Zico in the 1982 World Cup: A wonderful combination of spontaneous talent and electric reflexes.

4 Who Helped Shape Soccer

Giresse, Zico, Olsen and Passarella: Retiring Unforgotten

LONDON — The game is bigger than the individual, the sum supposedly greater than its parts. I cannot quarrel with the maxim. Soccer is a team sport. Yet, when several of its brighter lights go out at once, we feel the loss of those who imposed on the game a personality that was like a signature. And just retiring are four players whose styles embodied trends, not all of them lovable, in the modernization of a sport.

Alain Giresse, France's tiny field general, was to my eye as close to the essence of his country's golden era as Michel Platini.

Of course, Platini, who retired a year ago, was the obvious cavalier; he could compose, he could deliver and, when in the mood, he transcended normality. But even genius needs an organizer, and Giresse was that. At 5 feet 3 1/2 inches (1.62 meters), he was dwarfed by every rival, and dominated by none. "Gigi is a little man who is always making the game bigger and better," commented Michel Hidalgo, the French team coach through three World Cups.

Giresse is, or was, something thoroughly old-fashioned, a classic inside forward who scored at times but, more important, created and served. Neat, precise, hairvoyant and with a left foot that could deliver the ball to a played of grass 30 meters away, he actually said: "I played always to enjoy myself."

For 20 years he did that in Bordeaux, now, nearing 36 and after a superficial last fling in Marseille, he will return to his small Bordeaux farm with his wife, Chantal, and two sons. Should the latter inherit their father's genes, it will not be long before someone tells them, as Giresse was told at 11, that there is no sporting future for boys of such stature.

Au revoir, Alain. Better to have left too soon than go downhill before our critical eyes.

Morten Olsen, often the least heralded but the true leader of Denmark's flourish through the 1980s, did step into public decline. Six weeks short of his 39th birthday, he answered his nation's call for last month's European Championships and became a visibly weary athlete trying to lift a team past its peak.

Other — for example, Michael Laudrup, whose whose father Olsen began his career — appeared just as worn. And, trying to spark life, Olsen made one thrilling, gliding surge out of defense up the right flank during his 77th international. But in doing so, he was exposed. He couldn't get back to defend quickly enough. Where Olsen had time to spare, he now found a gap between seeing what to do and getting there to do it.

"I never tried to be famous," he reflected, "but I'm glad I'm not one of the 100,000 unknown Olsens in Denmark." He used fame circumspectly, campaigning for Amnesty International because, he explained, "You have to be involved in life outside football. It concerns your family, your neighbor." His neighbors, and parents, have him back now. They waited for 16 years in Vordingborg, 65 miles (105 kilometers) north of Copenhagen, where Olsen traveled elegantly around Belgium and West Germany. Now it is his turn to run the family do-it-yourself shop.

Whatever Zico retires to, it will not be anonymity. Artur Antunes Coimbra, as he was christened, came from a family of players raised on street and beach soccer. He was an adolescent bantam. His ability to stretch out for the ball, to stun it and spit it, to time his shots so as to impart startling ferocity from so small a physique, made rich industrialists in Brazil and, briefly, in Udinese of Italy, pay millions to set him up for life in apartment blocks.

But Zico was too small, too delicate, too easily broken. Though a wonderful combination of spontaneous talent and electric reflexes, he never became the "white Pete" he was built up to be. He scored more than 700 goals but represented just a flicker of Brazil's joyful play, an individual perplexed within a country that chose to coarsen its game in an attempt to make Europeans out of Latins.

Blinkered coaches and break-leg villains also blunted Zico. Claudio Coutinho, the late army captain who sought to put system to Brazil's national flair, made demands which, as Zico later recognized, "put me in a tactical straight jacket." More blatant restraint was applied during the 1982 World Cup when Zico was bound by an Italian whose destructive qualities are legend. Still, compared to the thugs in Brazil, Claudio Gentile was merely discouraging. Three times in the opening 13 minutes of the 1982 game he fouled, he was booked and, teased by Zico's matador body swerve, tore the shirt from Zico's back.

That shirt is to this day the proud possession of Gianni Agnelli, Juventus's benefactor and the protector of Gentile's reputation. "A marvelous talent, Zico," Agnelli observed. "But Gentile stopped him without brutality." Measured against what Zico's countrymen finally did to savage his skills — hacking his knees until surgery became habitual — Agnelli is right. Zico, by the harshest of judgments, failed.

No one would accuse Daniel Passarella of not fulfilling his potential. Certainly not to his face, Passarella, a man indomitable, a leader and a winner, captained Argentina to victory in the 1978 World Cup and became synonymous with the Argentine lust to celebrate something after years of military repression. From abject poverty he now returns a wealthy ranch and real estate owner, the fruits of also conquering Italy's club system.

"I've succeeded not by being the world's most skillful player, simply one of the most determined," he says. "I've been totally dedicated to winning."

There speaks the ultimate pro. Alas, Passarella also led stud marks on the thigh of a compatriot, Diego Maradona, when they played for different Italian clubs, and scars on the mind of an unfortunate ball boy who once got in his way. The man's appetite for the game, and for success, now soccer's ultimate prize.

Giresse and Olsen and Zico, more delicate souls, have no World Cup Victor's medal to prove what they were to soccer. But I hope we remember them in perspective, because medals are not proof of men's worth to the fabric of a game.

Rob Hughes is on the staff of the Sunday Times.



Andres Galarraga, left, of the Montreal Expos is one of 30 players in their first all-star game; Dwight Gooden of the New York Mets, in his fifth, says, "I kind of feel like the old man of the team."

Baseball's 59th All-Star Game: More a Changing of the Guard

Washington Post Service

CINCINNATI — Major league baseball's 59th All-Star Game, to be played Tuesday night, rain permitting, was to be not so much a showcase of talent as a changing of the guard, a hello to Andres Galarraga and Will Clark and a goodbye to Jim Rice and Mike Schmidt.

It would see 30 of the 56 players making their first all-star appearances, with 14 having yet to celebrate their 26th birthday. It would see so many newcomers that the slick, \$5 official programs likely would be dog-eared by the time the last pitch hither was sent up in the ninth inning.

"That's the way it's supposed to be, isn't it?" the National League's manager, Whitey Herzog of St. Louis, said Monday. "It's 1988, isn't it? Who can predict it? I know the guys that are on the team are having good years. But this spring, who would've guessed that Eric Davis, Dale Murphy, Tony Gwynn and Tim Lincecum wouldn't be here?"

None of them were here. Instead, Kurt Stillwell was, and Harold Reynolds, Doug Jones, Tim Lincecum, Terry Steinbach and Danny Jackson.

All of this was good news for players such as Gary Gaetti and Frank Viola of the Minnesota

Twins, whose recognition has been overdue. And it was a tribute to youngsters such as David Cone and Greg Maddux, who had such phenomenal first halves that they made themselves impossible to overlook. But it is different.

"I kind of feel like the old man of the team," said the New York Mets' right fielder, Darryl Strawberry, a five-time all-star. "There are so many new faces here it just doesn't seem like the same NL all-star team anymore. It's good to have some new blood."

A few feet away, Galarraga, of Venezuela and Montreal, was saying pretty much the same thing.

"Growing up, all I ever thought about was making it to the major league all-star game," he said. "Five of the 18 starters would be playing their first all-star game, but the pitchers were familiar. Dwight Gooden of the Mets was to start for the second time in three years and Viola, while making his first all-star appearance, was a star last fall when the Twins won the AL pennant and the World Series."

Minnesota's Tom Kelly, the American League manager, said Boston's Roger Clemens would be his second pitcher, with the third depending on the situation.

Herzog was to follow Gooden's best with the slow stuff of Houston's Bob Knepper. After that, he said, he would decide between Philadelphia's Kevin Gross and Cincinnati's Danny Jackson.

The National League has won 22 of the last 25 all-star games. But, if there was an advantage this season, it appeared to be with the American. Four of Herzog's 10 pitchers worked Sunday, including Maddux, the major league's leading winner at 15-3. "I don't know if I can go," Maddux said. "I'd try it, but I threw a lot of pitches Tuesday. There's a thrill in being here, but I'd like to pitch if I could."

Herzog said he would use Maddux only in an emergency. But he was in a bind since Orel Hershiser of Los Angeles, Cone of the Mets and Bob Walk of Pittsburgh also pitched Sunday.

"I think I can use Cone and Hershiser," Herzog said, "but Maddux is probably out. I know he's here and wants to pitch, but I don't want to do anything to hurt him." Gooden said this last would be more special than his because of what he has been through. Since pitching against Clemens in Houston in 1986, he has helped the Mets win a World Series title, then for two

months of the 1987 season underwent rehabilitation for cocaine addiction. So, at 23, he's already celebrating a comeback of sorts.

"I didn't have to prove I could still pitch," he said. "What I had to prove is that I could stay clean, and it's something I have to fight all the time. You go back to the places you used to hang out or you have a lot of free time on your hands, the temptation is there. The fear is the toughest thing."

The start would be no less special for Viola, who at 28 has established himself as a dominant pitcher, because it comes a few months after the Twins won the World Series and the AL team includes not only Viola, but Kirby Puckett, Gaetti and Laudner.

Laudner, Gaetti and Viola all played for Kelly in the minors and, in this cold, cruel world, the Twins appear to be as close to family as exists in major league baseball.

"It's special," Kelly said. "You're dang right it's special. You come up with guys in the minors, and there's a bond there."

Rain, a rarity in the Midwest this year, has returned to Cincinnati in time to threaten the all-star game Tuesday night, for which the National Weather Service was forecasting a 40 percent chance of rain. United Press International reported.

An early afternoon downpour Monday all but wiped out a state of festivities that was to include a home-throwing contest with American and National league sluggers. It was the first time since the first week of April that it had rained on consecutive days in the drought-stricken city, the weather service said.

If the game was rained out Tuesday night, it would be played Wednesday afternoon at a time to be determined. In case of rain on Wednesday, the game could start no later than early evening since all 26 teams play the following day.

Steinbrenner Raps Yankees

George Steinbrenner, the Yankees' principal owner, upset by his team's second-place standing, has questioned whether his players have "what it takes to win" and criticized three selected for the all-star game. The Associated Press reported.

In singing out Don Mattingly, Ricky Henderson and his favorite whipping boy, Dave Winfield, Steinbrenner said Monday, "We have the highest payroll in baseball and these guys have never won." "You don't think this surprises me, do you," Winfield said Tuesday in Cincinnati.

SCOREBOARD

BASEBALL

The All-Star Game

Table with columns for American League and National League starters, including names like Steve Carlton, Dwight Gooden, and Greg Maddux.

SOCCER

The three teams for the three European club soccer competitions (first leg Sept. 7, return leg Oct. 1) made Tuesday in Geneva: FC Barcelona (Spain), FC Bayern Munich (Germany), FC Internazionale (Italy), FC Liverpool (England), FC Ajax (Holland), FC Real Madrid (Spain), FC Juventus (Italy), FC Borussia Dortmund (Germany), FC Feyenoord (Holland), FC Celtic (Scotland), FC Rangers (Scotland), FC Tottenham Hotspur (England), FC Arsenal (England), FC Manchester United (England), FC Aston Villa (England), FC Everton (England), FC Ipswich Town (England), FC Norwich City (England), FC Wimbledon (England), FC Luton Town (England), FC Burnley (England), FC Derby County (England), FC Millwall (England), FC Charlton Athletic (England), FC Reading (England), FC Shrewsbury Town (England), FC Exeter City (England), FC Hereford United (England), FC Mansfield Town (England), FC Notts County (England), FC Southend United (England), FC Torquay United (England), FC Walsley (England), FC Walsingham (England), FC Woking (England), FC York City (England).

RESERVES

Table listing reserve players for the All-Star Game, including names like Steve Carlton, Dwight Gooden, and Greg Maddux.

NATIONAL LEAGUE STARTERS

Table listing National League starters for the All-Star Game, including names like Steve Carlton, Dwight Gooden, and Greg Maddux.

RESERVES

Table listing reserve players for the National League, including names like Steve Carlton, Dwight Gooden, and Greg Maddux.

Midseason Comparison

Table comparing major league baseball statistics for the first half of the season 1988 and 1987.

Battling Orders

Table listing batting orders for various teams, including American League and National League.

SIDELINES

Judge Denies Free Agency for NFL

NEW YORK (NYT) — The National Football League Players Association's request for unrestricted free agency for 280 of its members was denied Monday by Judge David Doty in U.S. District Court in Minneapolis. He said the dispute should be settled at the bargaining table. The players were seeking an injunction that would free them from their present teams because there was no collective bargaining agreement between the NFL owners and the players' union when the players' contracts expired in February.

TRANSITION

BASEBALL: American League shortstop, from Colorado Springs, Zevlone Association. NATIONAL LEAGUE: St. Louis — Don Gusewiler, pitcher, moved to Texas. BASKETBALL: National Basketball Association: MIAMI — Named Ron Rothstein coach. MILWAUKEE — Signed Jeff Kravtchouk, forward, to four-year contract extension.

FOOTBALL

WINNIPEG — Added Walter Bender, running back; David Striley, linebacker; Michael Allen and Trevor Holtz, defensive backs; Ed McCubbin, offensive guard; Jeff Taillon, quarterback; Michael Meredith and Danny Robinson, running backs; Roy Hurd, wide receiver; Lynn Motson, defensive end; Aaron Brooks, defensive end; David Frye, linebacker; and Jeff Cris, defensive end. DALLAS — Signed Billy Mitchell, defensive back; and Scott and Brad Turner, offensive linemen to the roster. TRANSFERRING RUMBLE: Pittsburgh and Rio Grande, defensive end.

FOOTBALL

WASHINGTON — Called up Paul Zavoron, shortstop, from Colorado Springs, Zevlone Association. NATIONAL LEAGUE: St. Louis — Don Gusewiler, pitcher, moved to Texas. BASKETBALL: National Basketball Association: MIAMI — Named Ron Rothstein coach. MILWAUKEE — Signed Jeff Kravtchouk, forward, to four-year contract extension.

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WINNIPEG — Added Walter Bender, running back; David Striley, linebacker; Michael Allen and Trevor Holtz, defensive backs; Ed McCubbin, offensive guard; Jeff Taillon, quarterback; Michael Meredith and Danny Robinson, running backs; Roy Hurd, wide receiver; Lynn Motson, defensive end; Aaron Brooks, defensive end; David Frye, linebacker; and Jeff Cris, defensive end. DALLAS — Signed Billy Mitchell, defensive back; and Scott and Brad Turner, offensive linemen to the roster. TRANSFERRING RUMBLE: Pittsburgh and Rio Grande, defensive end.

TRUMP JOINS TYSON ADVISORY GROUP

NEW YORK (NYT) — Mike Tyson, who is embroiled in a bitter financial and legal dispute with Bill Cayton, whom the heavyweight champion says is no longer his manager, Monday welcomed Donald Trump, the multimillionaire real estate developer, as an adviser on his ring and business careers.

Trump announced that he and Michael Winston, his attorney, were setting up an organization called Mike Tyson Enterprises that would counsel Tyson on his career through a board of advisers. Winston said that Trump, whose Trump Plaza hotel in Atlantic City has been the site of "several others" will be named in a couple of weeks. Winston declined to say who else was under consideration; Trump said they would be "successful and honorable men."

Trump also said that Kevin Rooney, his trainer for eight years, would be dropped if, as Tyson had heard from friends, Rooney has sided with Cayton in their dispute.

For the Record

Canadian Football League officials said a long-term planning committee will be formed to study the prospect of expanding into Oakland, Baltimore, St. Louis and other U.S. cities. (AP)

Pat Cash, the former Wimbledon champion, has withdrawn from the Australian tennis team that will compete in the Seoul Olympics later this year, citing family and tournament commitments. He will be replaced by Darren Cahill. (AP)

University of Illinois Athletic Director Neale R. Stoner has resigned, effective on completion of legal agreements, after an investigation confirmed that university maintenance personnel performed work on his house and car. Chancellor Morton W. Weir said Tuesday. Stoner also has been accused of paying for vacations with athletic department funds. (UPI)

Quotable

Larry Anderson, the Houston Astros' reliever who has been called baseball's top amateur philosopher, recently posted a number of thought-provoking questions: "Why does sour cream have an expiration date?" "What do they call a coffee break at the Lipton Tea Company?" "How can you tell when you're running out of invisible ink?"

Anderson wears a T-shirt that says, "Roses are red, violets are blue, I'm a schizophrenic and so am I." His motto: "You can only be young once, but you can be immature forever." (LAT)

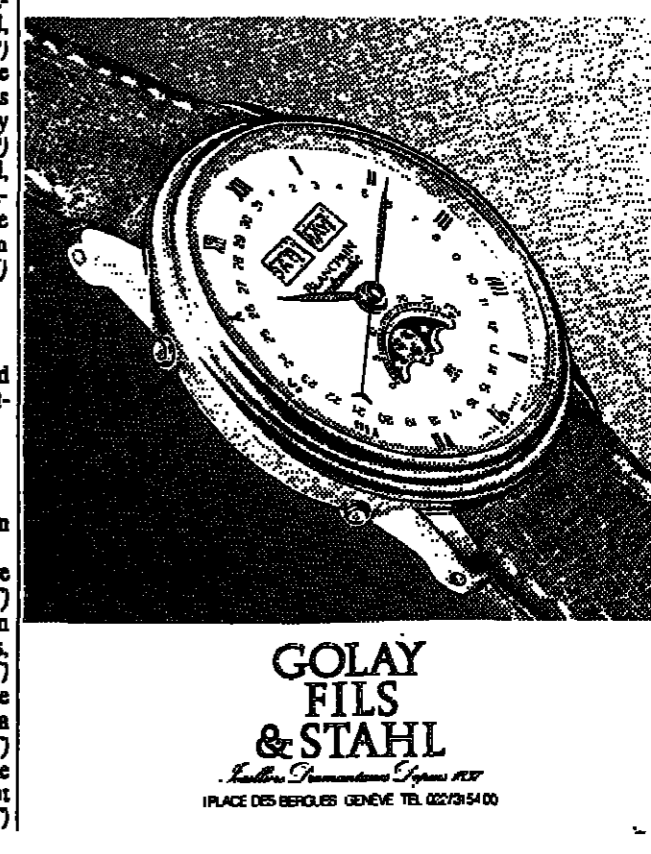
Dexter Manley of the Washington Redskins, asked what person outside of sports he would most like to be: "I'd be Ferdinand Marcos, because he's got about \$10 million stashed." (LAT)

Dave Feil, traded from Golden State to Washington for Mamie Bol: "Maybe my stories won't be as good as Mamie's killing lions with a spear, but I did run over some armadillos in Texas." (LAT)

Jim Walswander of the Detroit Tigers, who have gone 22-7 when he starts a run: "I don't mind being a lucky charm as long as they don't put me on a key chain." (LAT)

BLANCPAIN

SINCE 1735 THERE HAS NEVER BEEN A QUARTZ BLANCPAIN WATCH. AND THERE NEVER WILL BE.



OBSERVER

Hot Days in Car City

By Russell Baker
NEW YORK — The thermometer at the kitchen window, which is in shade, read 98 degrees (about 37 degrees Centigrade) at the lunchtime...

shopping-center food, each of us was thinking, "How can I punish my unutterably marvelous Self by subjecting its adorable body to nutritionally disgusting sulfites and other dreadful fast edibles I'm always railing against?"

Eric Rohmer at Work: Tea for Two

By Paul Chutkow
New York Times Service

PARIS — Each year, from among the freshest young faces in French theaters and acting schools, a chosen few are invited to what may be the most daunting and bewildering audition of their lives: tea with Eric Rohmer.



Scene with Sophie Renoir, Emmanuelle Chatelet; Rohmer (inset).

Over the years we spoke of everything—music, painting, architecture, society, love," recalls Emmanuelle Chatelet, a young French actress that Rohmer spotted at a theater class. "During six months or a year, I saw him regularly and he never said a word about any film project. But he taped all our conversations, and I knew that was his technique in making movies, so I played the game."

The result, after two years of playing this subtle, complex game, was Chatelet's first major film role, the lead in Rohmer's comedy of young love, "L'Ami de Mon Amie," which as "Boy-friends and Girl-friends," opens in New York on Friday.

But as Chatelet learned, tea with Rohmer is more than an audition; it is a twisting passage into Rohmer's private world, into what may be cinema's most unusual creative process.

At 67, Rohmer on first encounter looks every inch the unassuming, friendly, and unassuming. In his great bust of a head, the cheeks have the hollow look of an ascetic, and his sensitive blue eyes, faced with an intruder, are hooded and furtive.

It needed a waiting period, time for gestation... I don't know where my characters come from. But slowly they come toward me and take shape... Chatelet: "He knows very well how to observe young people, and he knows very well how to observe women. He likes to surround himself with women, and he understands very well a certain part of feminine psychology, the language of love, the approach of an amorous adventure, all the games of love..."

PEOPLE

Bob Hope's Honors Set A Guinness Record

Bob Hope is to make the Guinness Book of World Records as the most honored entertainer. Hope, who never finished high school, has 44 honorary college degrees and an array of medals and honors, including the Medal of Freedom and the Congressional Gold Medal.

Advertisement for Jackson's Aid Negotiations, featuring a portrait of a man and text about negotiations.

ANNOUNCEMENTS section containing various notices, including USADIRECT, MOVE Plus, REAL ESTATE FOR SALE, and other services.

INTERNATIONAL CLASSIFIED

Large classified section with multiple columns for REAL ESTATE, EMPLOYMENT, LOW COST FLIGHTS, HOTELS, and other international services.

TODAY'S INTERNATIONAL BUSINESS MESSAGE CENTER. Includes information about legal services, immigration, and dining out.

Automobile Market section featuring advertisements for Volvo cars, including models like the 740 GLE and 740 GLE Turbo.

Advertisement for Niagara Falls, featuring a large image of the falls and text about tourism and services.